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U.S. Feels  
Pakistani  
Atom Test  
Is Unlikely

By Judith Miller  
New York Times Service

WASHINGTON — An intelligence report has concluded that Pakistan will be able to detonate a nuclear device within three years but is not likely to do so, according to administration and congressional officials.

This conclusion, the officials said, is contained in an analysis known as "Special National Intelligence Estimate 31-81." It was prepared by the Central Intelligence Agency and completed last month.

Some reports have said Pakistan could detonate a nuclear device by the end of this year.

But intelligence officials say that Pakistan's reluctance to conduct an atomic test stems partly from President Mohammed Zia ul-Haq's unwillingness to jeopardize the Reagan administration's six-year, \$3.2-billion military and economic aid program.

According to the sources, the new study contends that Pakistan is likely to continue developing and stockpiling fissionable material that could be used in a nuclear device.

Continued development of Pakistan's nuclear program, analysts argue, is likely to prompt increasing suspicion and hostility from India. As a result, according to the report, Pakistan could face a growing threat of a preemptive strike by India against its nuclear installations by the end of this year.

India detonated an atomic device in 1974, but it maintained that its test was a "peaceful nuclear explosion," a distinction the United States does not accept.

The Reagan administration has argued that Pakistan can only be dissuaded from conducting a nuclear test if it would jeopardize a strong security relationship with the United States. The new estimate tends to support this claim. The estimate's conclusion is privately disputed by some foreign policy analysts, who say they doubt Pakistan will be willing to forgo a demonstrable nuclear weapons option, in light of the 1974 test by India.

They also expressed concern about President Reagan's strong demonstration of support for the government in Pakistan, which they argue is unstable.

India and Pakistan are scheduled to hold talks on a security pact in New Delhi on Friday. Foreign Minister Agha Shahi of Pakistan is expected to discuss proposals for a nuclear-free zone with his Indian counterpart, P.V. Narasimha Rao.

The discussions are being closely followed by officials at the International Atomic Energy Agency, based in Vienna, which monitors nuclear plants. The agency has been pressing Pakistan unsuccessfully to permit the installation of additional cameras and measuring devices to improve safeguards at a 135-megawatt nuclear reactor near Karachi.

The agency made its request after it detected anomalies and irregularities at the reactor, which is capable of producing plutonium for atomic weapons. There is no evidence that Pakistan has been diverting fuel from its civilian reactor for nonpeaceful purposes. But the agency expressed concern in September that its monitoring arrangements were no longer adequate.

The India-Pakistan talks and the agency's effort to improve safeguards are of concern to the Reagan administration, which persuaded Congress last month to approve \$100 million in aid for Pakistan, a downpayment on the six-year program.



Marchers in Geneva protest the placement of nuclear arms in Europe and superpower actions in Poland and El Salvador.

U.S. Links Arms Talks,  
Soviet Role in Poland

New York Times Service

WASHINGTON — The Reagan administration has formally linked progress in arms control negotiations with the Soviet Union to Moscow's involvement in what officials here called "the continuing repression of the Polish people."

Administration officials say they are planning several measures, including a prolonged recess of the Madrid talks on East-West cooperation, to demonstrate opposition to the crackdown in Poland.

Dean Fischer, the State Department spokesman, said Friday that the administration's "interest in meaningful arms reduction negotiations, including reductions in strategic arms, is undiminished." But he said talks on reducing strategic nuclear arsenals "cannot be insulated from other events."

He said that Secretary of State Alexander M. Haig Jr. "has emphasized that the continuing repression of the Polish people — in which Soviet responsibility is clear — obviously constitutes a major setback to the prospects for constructive East-West relations."

Another Step

"There can be no question," he said, "that the climate of East-West relations in turn has a serious effect upon the prospects for moving forward in arms control."

In linking progress in all arms control negotiations to Poland and East-West relations, Mr. Fischer went further than the administration officials who commented Thursday on Secretary of State Haig's scheduled meeting in Geneva Tuesday with Foreign Minister Andrei A. Gromyko of the Soviet Union.

Those officials said Mr. Haig would probably not agree, as initially expected, to a joint statement setting a date for the start of Soviet-American negotiations on reducing strategic nuclear arsenals because of anger over Soviet support for the martial law regime in Poland. The arms talks had been expected to begin in March.

Mr. Fischer's statement suggested that, in addition to delaying an announcement on the beginning of strategic arms talks, the Polish crisis was threatening the negotiations in Geneva on reducing or eliminating medium-range nuclear missiles in Europe.

The talks on medium-range missiles, which began on Nov. 30, have been strongly endorsed by other Western governments. Those governments feel the negotiations

are important in convincing the European public that the West is making an effort to negotiate limits on weapons while going ahead with plans to deploy new generations of U.S. missiles.

U.S. officials have declined to discuss what consequences the Polish situation could have for the Geneva talks on medium-range missiles, such as whether United States might suspend the negotiations. Mr. Haig previously said that those talks were so important that they were in a special category, exempt from normal East-West concerns.

By linking the strategic arms talks to Soviet activities in other areas, Mr. Haig is reviving the "linkage" concept that was strongly advocated by President Reagan and Mr. Haig early in the administration — but that has not been stressed in recent months.

U.S. officials said that Mr. Haig, in his talks with Mr. Gromyko, also planned to make a major issue of Soviet military supplies to the Caribbean area. The United States has become concerned about the recent shipment to Cuba of about 10 advanced MIG-23 fighter-bombers.

The Madrid conference is scheduled to resume on Feb. 9. Administration officials disclosed Saturday that they were urging the Western allies to adopt a plan under which the conference would concentrate for a week to 10 days on Western charges of Soviet breaches of the 1975 Helsinki accords, then recess until September or October. It would make no sense for the West to negotiate new agreements at Madrid, U.S. officials said, while the Soviet bloc was violating existing accords.

Under conference procedures, a unanimous vote is required to suspend the talks. U.S. officials are confident, however, that agreement by the allied group would leave the Soviet bloc no choice but to accept a suspension.

At the same time, the administration intends to seek a resolution condemning the crackdown in Poland when the United Nations Human Rights Commission meets Feb. 1 in Geneva.

Haig Is in Geneva

GENEVA (UPI) — Mr. Haig arrived in Geneva Sunday for the meeting Tuesday with Mr. Gromyko. Mr. Haig is scheduled to fly to Jerusalem Wednesday and then to Cairo on Thursday.



Archbishop Jozef Glemp, Roman Catholic primate of Poland, taking part in a Warsaw church service within the last week.

Archbishop Says Poles  
Have a Right to News

By John Darnton  
New York Times Service

WARSAW — The Roman Catholic primate of Poland, Archbishop Jozef Glemp, said Sunday in a sermon broadcast over national radio that Poles have the right to honest information in the government-controlled mass media and the right to know why they were being deprived of civil liberties.

The sermon was followed by a pastoral letter drawn up last week by the Polish Conference of Bishops, the top collegiate body of the church, that warned of the dangers of civil war and insisted on the workers' right to organize independent trade unions.

The two things indicated that the powerful voice of the church hierarchy was united in an effort to bring intense pressure to bear on the military regime one day before Gen. Wojciech Jaruzelski, the country's leader, is to deliver a major address to parliament.

Gen. Jaruzelski, who heads the Communist Party, the government and ruling Military Council of National Salvation, is expected to present the outlines of a program for economic reform and political changes. But he is not likely, according to informed sources, to declare an immediate end to the martial law that was imposed Dec. 13.

After the initial shock of the

military takeover there are now signs that the suspended Solidarity free trade union is organizing itself underground and that the authorities are floundering in their efforts to develop a program for governing that would be widely supported.

Reports Increasing

There has been a steadily increasing flow of clandestine publications from Solidarity. While some are just crudely typewritten statements and others are well-printed bulletins, they provide a growing body of reports of anti-government petitions, production problems in factories and instances of police repression and brutality throughout the country.

Among them is a letter to Pope John Paul II from Solidarity leaders in Krakow, the pontiff's home town. It pledges that the union will do everything in its power to avoid terrorism and expresses fear that such a campaign is under way so that it can launch a reign of terror.

In his sermon Sunday, Archbishop Glemp relied upon a privilege won for the church by Solidarity in its initial strike in August, 1980 — the right to have Sunday Mass broadcast to the nation.

Speaking from Holy Cross (Continued on Page 2, Col. 5)

French-Soviet Gas Deal  
Signed Despite U.S. Plea

By Paul Lewis  
New York Times Service

PARIS — France has signed a major natural-gas contract with the Soviet Union over strong objections by the Reagan administration, which fears the deal will make Europe dangerously dependent on Soviet energy and help Moscow's defense effort.

The United States is already trying to delay construction of a new 2,800-mile (4,500-kilometer) pipeline to transport the gas from Western Siberia into France, Germany, Italy and several other European countries; it has refused permission for the General Electric Co. to export crucial parts for the huge turbine-powered compressor stations needed to pump the gas along.

Saturday's agreement, signed only a few days after President Reagan urged the Western allies to impose economic sanctions against the Soviet Union because of the military takeover in Poland, provides for France to purchase about 8 billion cubic meters of Siberian natural gas a year for 25 years, with the first deliveries starting in 1984.

As a result, the amount of France's natural gas supplied by the Soviet Union is expected to rise from about 15 percent to between 32 percent and 40 percent by 1990, depending on how much gas is purchased from other suppliers. In overall terms, however, the Soviet Union's share of total French primary energy supplies will only increase from about 3 percent to 5 percent by the end of this decade.

Price Is Not Announced

West Germany has already agreed to purchase about 10 billion cubic meters of Soviet natural gas from the planned new pipeline over the same period, raising its dependence on Soviet gas from 17 percent to about 30 percent.

Italy has signed up to buy a lesser quantity, and Austria, Switzerland, Belgium and the Netherlands are still negotiating with the Soviet Union for Siberian gas supplies.

Although the French refused to

disclose the price they are paying for their Soviet gas, West Germany is believed to have agreed to pay \$4.65 per million British thermal units, the internationally accepted measurement of the energy contained in natural gas. A million Btu is equivalent to about 28.5 cubic meters (1,000 cubic feet) of gas.

Western experts estimate the Soviet Union could be earning an additional \$4 billion to \$5 billion a year in foreign currency by 1990 if it succeeds in selling the 40 billion cubic meters of gas that it hopes to provide Western Europe annually by then.

U.S. officials expressed disappointment at the French decision, especially as they had hoped that France might agree to buy less than the full 8 billion cubic meters a year as a gesture of disapproval of the Soviet-backed military takeover in Poland.

In a sharply worded editorial Saturday, the French afternoon newspaper Le Monde, which generally supports France's new Socialist government, attacked the decision to sign the gas contract now, saying it showed Poles opposed to the military takeover that "they have nothing to expect, save charitable gestures, from the Western countries now."

Reagan's Efforts

Since he came to office last year, President Reagan has been trying without success to persuade the West Europeans to cancel their plans to import more Soviet natural gas. The administration argues that the planned gas pipeline, linking Siberia with Europe's industrial heartland, represents a huge new jugular vein to which the Soviet Union might one day hold a knife.

Meanwhile, U.S. officials say the big increase in foreign-exchange earnings that the Soviet Union expects from its gas sales to Europe will help sustain Moscow's military buildup by enabling it to purchase more strategically valuable goods in the West.

The Europeans have replied that the whole deal will increase their collective dependence on Soviet natural gas only from about 15 percent today to between 20 per-

cent and 25 percent by the end of the decade. They also have pointed to the valuable contracts their industry has secured for building the new pipeline at a time of rising unemployment.

Reaction in Washington

WASHINGTON (NYT) — The French decision not to cut back on the planned purchase of Siberian natural gas was viewed by Reagan administration officials Saturday with disappointment.

The State Department was apparently caught by surprise by the announcement. As a result, there was no immediate official comment, other than a terse reminder that "our position on this question is well-known."

Privately, officials said that Secretary of State Alexander M. Haig Jr. had earlier tried to persuade the French either to delay signing the deal or to cut back on the quantity to be imported as a show of French opposition to the military crackdown in Poland.

France has been one of the most outspoken of the Western allies against the imposition of martial law in Poland, but it has not taken any economic steps similar to the sanctions imposed by the United States against the Soviet Union on Dec. 29.

Strauss Urges Bonn Review

HAMBURG (Reuters) — Franz Josef Strauss, the leader of West Germany's conservative opposition, has declared that Bonn's role in helping the Soviet Union to build the gas pipeline should be urgently reviewed because of the events in Poland.

In an interview with the Sunday newspaper Bild am Sonntag, he said that "as part of overall measures against the military dictatorship in Poland and its controllers in Moscow, this deal should be urgently reviewed."

He added, "Moscow wants to use this huge deal primarily to expand, with Western know-how and money, the supply network that is so important for its troops, both in the Soviet Union and in the Warsaw Pact countries."

Grain Output  
Unreported in  
Soviet Study

By Serge Schmemmann  
New York Times Service

MOSCOW — The Soviet government has issued its annual economic report for 1981, and it confirmed previous indications of a gloomy year on most fronts.

In a break with precedent, the report, issued Saturday by the government's Central Statistical Administration, omitted altogether the size of last year's grain harvest, suggesting that the figure is so low as to be politically embarrassing.

Among explanations put forward by Western diplomats for the omission of the grain figures was a reluctance to give the United States a propaganda lever at a time of tension, particularly in view of the threat of a new grain embargo in retaliation for Moscow's military crackdown.

In the generally mediocre economic performance in 1981, the production of natural gas seemed to offer some consolation to Soviet planners, particularly in view of an expected increase in lucrative gas sales to Western Europe in the 1980s.

Gas production, for which growth is now coming almost entirely from the huge Arctic fields (Continued on Page 2, Col. 7)

NATO Officials Warn  
Of New Poland Moves

Washington Post Service

BRUSSELS — Western Europe has joined the United States in warning of possible new steps in the "immediate future" against Poland and Soviet authorities as a result of what the NATO governments termed a "recent worsening of the situation in Poland."

Among the options being pursued, according to U.S. and European officials meeting Saturday in Brussels, was a tightening of credit terms for government loans to the Poles and the Russians.

In Washington, meanwhile, Jeanne J. Kirkpatrick, the U.S. representative at the United Nations, said Saturday that "problems like Poland poses are not the kind" that NATO "was conceived to address, and therefore its response to these problems should not be conceived of as raising fundamental questions about the alliance."

The NATO announcement in Brussels represented an early but limited follow-up to the intentions signaled by NATO foreign ministers on Jan. 11 to identify and examine certain "national possibilities" for response to Warsaw's imposition of martial law last Dec. 13. The United States imposed trade and diplomatic sanctions last month on both Moscow and Warsaw.

The measures put into effect by

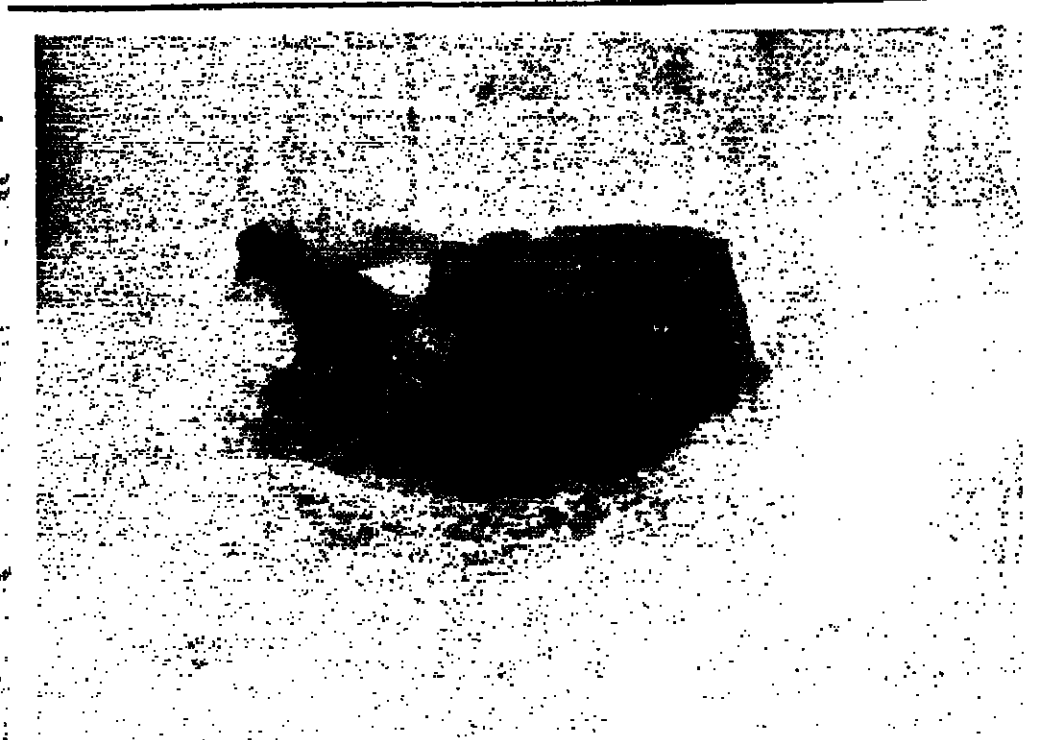
the NATO countries so far — or those said to be under consideration for the near future — still do not strike at major East-West trade connections.

A NATO statement issued after Saturday's meeting said: "The allies agreed that the situation in Poland has worsened since the ministerial meeting of Jan. 11, and they deplore the absence of convincing signs that the repeated promises of a return to the policies of national renewal and genuine reforms ... are not being carried out. On the contrary, the Polish authorities, supported by the Soviet Union, continue to ignore the true aspirations of the overwhelming majority of the Polish people."

The timing and substance of announcements of specific actions by NATO countries in response to the Polish crisis were said to be up to individual member governments. But U.S. officials said some announcements might be made by European members after a meeting Monday and Tuesday of Western European foreign ministers. They are to review food aid to Poland and East-West trade restrictions at that meeting.

Unanimity in NATO has been reported on just one protest action: All member governments have said they will send their for-

(Continued on Page 2, Col. 8)



RECORD STORMS — Minneapolis was buried over the weekend by a blizzard, and much of the rest of the United States was struck by storms that one meteorologist said broke 100-year records. Parts of Minnesota were under more than 40 inches of snow. Details, Page 3.

Western Protectionism Alarms Trade Officials

This is the first in a series.

By Axel Krause  
International Herald Tribune

GENEVA — The wave of protectionism spreading among Western industrial nations is complicating efforts to pull the world economy out of recession and may be heading off control, many analysts warn.

"We are facing a situation as potentially dangerous as the 1930s," said an official of the Paris-based Organization for Economic Cooperation and Development. "Examples of neo-protectionism are becoming entrenched or spreading in the United States, Europe and Japan."

He added, "Worse yet, the long-established rules of liberalizing trade are no longer being respected, which means our policy-makers cannot get a grip on the situation — aggravated by recession and growing unemployment."

Stagnation in Trade

Further gloom came from a senior official of the World Bank. "Frankly, a lot of people in the international agencies have panicked," he said. "Our governments simply are not moving to liberalize trade. ... There is no public interest for liberalizing trade and virtually no active lobbying from consumers, labor groups or the multinational companies."

Renewed protectionist practices certainly will not halt world trade. The Geneva-based General Agreement on Tariffs and Trade recently reported that 1980 trade volume among

its 87 members rose 1.5 percent to \$2 trillion. In 1979, trade volume rose 6 percent from the year earlier.

But since last summer, mainly because of economic slowdown in industrial and developing countries, overall trade has stagnated. In the view of many policy-makers and economists, protectionism could dampen or seriously endanger the modest recovery expected next year for the OECD industrial nations.

"Despite past liberalization efforts, nearly 50 percent of world trade is now under quantitative restraints and that proportion is growing," said Jan Tumlir, an American and the director of GATT's economic department. "The expected economic recovery will not help reverse the trend."

Officials in government and private policy-making circles interviewed recently in Western Europe and Washington pointed to similar trends, which France's Institute for International Relations in its coming annual report has called "the return of economic nationalism." Among the trends are:

- Greater reliance on government subsidies to buttress important sectors of the economy, particularly in such export industries as agriculture and textiles. The Common Market's generous subsidies to European steel companies are a major example.

- Mounting political pressures to negotiate cartel-like arrangements between strong importing and weaker exporting nations. This can be seen in the recently concluded interna-

tional multifiber agreement, which gives developed countries the right to impose controls on textile imports, particularly from the big textile producers in Asia.

National development plans aimed at reducing dependence on imports by injecting capital and modern technology into certain industries. France, for example, is striving to "reconquer" such domestic markets as machine tools, shoes and toys.

• Emergence of a tough vocabulary among policy-makers to justify protectionist approaches. U.S. officials now speak of "reciprocity," while Europeans describe "industrial protection systems."

• Filing of record numbers of cases of violations of long-established trading rules, notably at GATT and the International Chamber of Commerce (ICC) in Paris. Officials say these filings reflect only a small fraction of the problem.

A growing number of parties in trade disputes are simply bypassing the settlement machinery, according to officials. "Protectionism is no longer turning up at the borders so much, but within countries, and the measures are increasingly difficult to tackle — the European subsidies, Japanese procurement programs, threats by U.S. farm lobbies to subsidize exports," said a senior European ambassador who specializes in trade.

Officials at ICC headquarters in Paris reported that an increasing number of compa-

(Continued on Page 5, Col. 1)

INSIDE

H.K. Unrest

In Hong Kong, recent disturbances marked by anti-Western sentiment seem to have been neither Communist-inspired nor aimed at the colony's British officials. Instead, observers feel, they were a reflection of mounting social tensions. Many community leaders now fear the colony's long-term stability is threatened. Page 5.

Guatemala Crisis

Barred from U.S. military assistance because of its human rights record, Guatemala's hard-pressed army is keeping itself supplied with vital equipment through loopholes in U.S. laws. Page 5.

Hypertension

The usefulness of some type of drug treatment for hypertension, the mildest form of high blood pressure, has been confirmed in four studies, according to a recent report. Page 6.



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## Vote Favoring Nuclear-Free Zone Puts Schmidt, Local Party at Odds

By John Vinocur  
New York Times Service

BONN — Chancellor Helmut Schmidt and Defense Minister Hans Apel received a symbolic political slap over the weekend when their local Social Democratic Party organization, against the leaders' objections, voted for a motion favoring establishment of a nuclear weapon-free zone in Europe.

The vote, passed on Saturday by a large majority at the convention of the Hamburg regional party organization, was described by its supporters as a signal to show that "we in Europe want to turn our backs on nuclear weapons."

Both Mr. Schmidt and Mr. Apel, whose homes and parliamentary seats are in the Hamburg elec-

tion district, addressed the meeting here Friday night and Saturday.

Mr. Apel described a nuclear-free zone as unrealistic and said that support for the motion meant the "removal of the armament hall" of a NATO decision in December, 1979. It was then that the alliance announced its plans to station Cruise and Pershing-2 missiles in Western Europe to counter a buildup of Soviet SS-20 missiles aimed at European targets.

Deployment of the missiles at the end of 1983 hinges on the results of talks now going on in Geneva between the United States and the Soviet Union on reducing the total number of medium-range missiles.

The convention voted for the

nuclear-free motion in spite of Mr. Apel's assertion that it was meaningless because Soviet missiles placed behind the Ural Mountains would still be able to destroy a nuclear weapon-free Western Europe. Mr. Schmidt had stressed that without the NATO missile program, the Soviet Union would have no incentive to discuss reduction of its forces.

The motion adopted in Hamburg will be brought to the floor of a special party meeting scheduled for April in Munich. The decision was in line with a general trend of resistance within the party's regional organizations to the deployment of new NATO missiles in Europe. Last month, in spite of a speech to delegates by Mr. Schmidt, the Social Democratic organization in the northern state of Bremen called for the immediate halt of preparations for stationing missiles in West Germany.

A debate and a vote on the missile issue had been expected at the Munich convention, but the national party leadership said in November that the start of talks in Geneva removed the necessity of a vote on whether the Social Democrats should continue to support the NATO plan. It now appears, however, that it will be increasingly difficult for Mr. Schmidt and his allies to avoid an open battle on the issue at the convention.

### 60-40 Edge Seen

The party leadership believes it has about a 60-40 advantage in any potential vote at the convention, but the regional party meetings suggest the margin for maneuver may be narrower. Mr. Schmidt said last May that he would resign if the party failed to back him in his support of the NATO decision.

Newspapers close to the Social Democratic Party, as well as its own press service, gave details Saturday of a motion on security issues that the party leadership plans to make in Munich in an attempt to win back the dissenting voices.

The reports said that the party would suggest a moratorium on the deployment of short-range missiles, such as the Soviet SS-20.

It would also urge that French and British nuclear weapons be included in further considerations of the East-West power balance in Europe. But the reports said the motion would avoid proposing that French and British weapons be involved in the Geneva talks, which involve U.S. and Soviet missiles alone.

These proposals fall far short, however, of the demands of the forces in the party that are resisting the NATO decision. The Frankfurt Rundschau, the national newspaper with the closest ties to the party organization, said the recommendations were hardly likely to win over the dissenters.

### Austrian Post for Waldheim

VIENNA — Kurt Waldheim, the former UN secretary-general, will become a special envoy for Austria at international conferences, Chancellor Bruno Kreisky has announced.

## Italian Communists Attacked by Kremlin

Reuters

MOSCOW — The Kremlin on Sunday denounced the leadership of the Italian Communist Party under Enrico Berlinguer and said it was steering the party away from the very basis of Communism.

The attack, in the Communist Party daily Pravda, said the leadership of the Italian party had adopted positions that directly helped anti-Communist forces in the world.

Relations between the two parties appeared to be near breaking point after the attack against the independent-minded Italian movement, which has taken a strong anti-Soviet line on Poland.

Referring to Mr. Berlinguer's denunciation of the Dec. 13 military takeover, Pravda said the Italian party leadership had used the Polish crisis as a pretext for putting forward views that denigrated world Socialism and the Soviet role in building it.

Pravda accused Italian party leaders of showing sympathy for rightist extremists in the Solidarity trade union and dismissed Mr. Berlinguer's call for greater human freedoms in the Soviet bloc.

The Italian Communist leaders, Pravda said, envisaged offering "freedom of action for those who, trampling Socialist legality underfoot, and using assistance from outside, are trying to undermine the Socialist system."

"And in fact, these people have no such freedom in the countries of real Socialism, for to give them it would mean not to consolidate, but to subvert, the foundations of a new Socialist system."

Pravda said the Italian leaders had made "inadmissible and unjust denigrations" of the gains of Socialism and put forward pretensions concepts that were akin to

"tenets of opportunism and revisionism."

The newspaper accused them of ignoring the foreign policy of the Soviet Union which it said was based on strengthening peace and international cooperation.

Pravda further accused the Italian Communist Party at its full Central Committee meeting in Rome on Jan. 13 of making "a truly sacrilegious attempt" to prove that the Warsaw Pact's foreign policy was no different from that of the United States and NATO.

It said Italian Communist Party leaders were trying to denigrate the achievements of the Soviet people and the party by speaking of a crisis in the Soviet political system.

At the same time they had found it appropriate to renounce the ideological basis of Communism and move gradually away from the Marxist-Leninist revolutionary platform.

The positions adopted by the Italian Communist Party in late 1981 and early this year showed that its leaders had openly come out against world Socialism, Pravda said.

It said the course taken by the Italian leadership ran counter to the interests of its members and the Italian working class which was faced with the problem of preventing its country being used "for the aggressive aims of alien imperialism."



Adm. James G. Storms 3d, second from left, at an Armistice Commission meeting.

## UN Invites China, North Korea to Watch Maneuvers

United Press International

PANMUNJOM, Korea — The U.S.-led United Nations Command has invited North Korea and China to observe a joint U.S.-South Korea military exercise — code-named Team Spirit 82 — in a gesture aimed at easing tension on the Korean peninsula.

At a meeting of the Korean Military Armistice Commission, U.S. Rear Adm. James G. Storms 3d, representing the UN Command, also expressed hope that North Korea would present a reciprocal invitation but Communist officials jeered at the proposal.

The UN command proposal, made Saturday, is unprecedented in the history of the Korean armistice signed in 1953 by the command, North Korea and China. The invitation, Adm. Storms said,

is for senior North Korean and Chinese armistice delegates, in the company of Polish, Czechoslovak, Swedish and Swiss members of the Korean peace-keeping group, to observe war games scheduled for February and March.

North Korean Army Maj. Gen. Han Ju-kyong, the chief Communist negotiator, burst into laughter upon hearing the UN proposal and mumbled in Korean, "You aggressors." The UN command informed North Korea last month of the exercise, asking Pyongyang to follow suit by disclosing in advance its scheduled military war games. The gesture came shortly after an extensive North Korean war exercise that alarmed U.S. forces so much that Airborne Warning and Controls System flew over the Korean peninsula and 7th Fleet warships sailed into Korean waters.

## Hoping for Break in Polish Crisis, U.S. Is Not Encouraging Refugees

By David Shribman  
New York Times Service

WASHINGTON — The Reagan administration has chosen not to encourage the 50,000 Poles who have flooded Austrian refugee centers to come to the United States according to a high-level U.S. official.

The policy has angered Polish-American groups and troubled the Austrian government, but the administration official said it is part of a quiet effort to obtain a loosening of the martial law that was imposed in Poland on Dec. 13.

"We don't want to create the impression that the situation in Poland is irretrievable," said the official, who spoke on condition that he not be identified. "There is no point in contributing one way or another to the impression that the situation has moved to a point where it is locked in ice."

The exodus of Poles to Vienna ended with the military crackdown, but it left Austria with a refugee problem that cost \$60 million last year and shows few signs of easing.

The office of the UN High Commissioner for Refugees has made a \$2-million grant to Austria, but Gary Perkins, the U.S. director of the refugee office, said, "This does not even begin to cover the costs."

Austria is less concerned about the cost of the refugees than about their final destination.

"We are happy for every dollar we get," said an Austrian Embassy official in Washington, "but our concern is that these people move on to the final country of settlement."

According to the Austrian government, 29,000 Poles applied for political asylum in Austria last year. An additional 20,000 came to Austria but have not applied for asylum.

The UN refugee office approached 24 countries on Dec. 30 to appeal for help in settling the Poles. The response has been modest, but Mr. Perkins said: "It is generally like this when you start to resettle people.... You simply have to keep appealing and keep working on the situation. We are certainly hopeful."

In response to the Polish situation, the United States has raised the ceiling on refugees from all of Eastern Europe to 9,000 this year, twice as many as for 1981.

"That definitely is a very significant step," said the Austrian official, "but, given the number of Poles in Austria, we would be happy if their number were further increased."

Church in Warsaw, he said his intention was to provide consolation to a suffering people. He told Poles to be calm, resolute and above all not to despair. He drew parallels to the sufferings of the apostles and said that it was difficult, but necessary, to be patient "when everything is in pain."

The church, he said, was doing everything it could to help the thousands of people interned, and clergymen and bishops had visited detention camps to bring "the word of God."

Though couched largely in religious metaphors, the sermon carried political messages. Consolidation, the priest said, rested ultimately upon the liberating power of truth. For those they ruled should be subjected to insult and ridicule.

There must be honest information in the mass media, he said. And people who are deprived of their liberty or forced to leave their work should be told why.

Since martial law, the church has assumed a pivotal role as a potential mediator between the government and detained Solidarity leaders, including Lech Walesa, leader of the union. But as hopes for progress in any such talks have faded, the church has become increasingly outspoken against abuses of power by the government.

One sign that the government was hardening its political line came Saturday when Ryszard Reiff, a member of the parliament, was dropped as president of a Catholic association called PAX. Originally cooperating closely with Poland's Communist rulers, Pax remained at a distance from the party during the recent liberalization brought about by Solidarity. Mr. Reiff, as a member of the Council of State, refused to sign the martial law decree.

At a meeting Saturday, PAX chose a new president, Zenon Komenda, and issued a critical as-

## WORLD NEWS BRIEFS

### British Rail Engineers Strike Again

The Associated Press

LONDON — Striking engineers shut down British Rail on Sunday for the sixth day in less than two weeks. Sidney Weighell, general secretary of Britain's largest rail union, which is not involved in the pay or productivity dispute, said: "If this goes on much longer there won't be any money left to pay anybody.... It's the whole future of the railway we're talking about."

Mr. Weighell, of the 180,000-member National Union of Railwaymen spoke soon after British Rail announced that it will decide Tuesday whether to close down the railroad on Sundays, which would save £1.1 million (about \$3.23 million) a week because more than 50,000 workers are being paid overtime on Sundays even though no trains have been running.

### Pair Refuses Water at U.S. Embassy

United Press International

MOSCOW — Two women who have been fasting for nearly a month at the U.S. embassy said Sunday they had stopped drinking all liquid apparently to force a show down over their demand for freedom to emigrate.

The women are among seven Pentecostals from two families who have been living in the American compound after rushing past guard three and a half years ago. The others said they were concerned that two women's refusal to drink could result in their being taken to a Soviet hospital. But they would not attempt to persuade the women to give their protest, which is aimed at pressuring Soviet authorities to grant seven permission to emigrate to the United States.

Augustina Vashchenko, 52, and her eldest daughter, Lydia, 31, have been taking only fruit juice since the end of December.

### Ulster MP Protests Status in U.S. Jail

Reuters

ALDEN, N.Y. — Owen Carron, a member of the British Parliament from Northern Ireland and an Irish nationalist, has proclaimed himself political prisoner after being detained in northern New York state in trying to enter the United States illegally.

Mr. Carron and Danny Morrison, who was described by officials as the outlawed Irish Republican Army's director of public relations, were arrested separately on Thursday after they tried to enter the United States from Canada. Both refused to wear prison uniforms at a minimum-security jail in Alden, near Buffalo, saying they were political prisoners.

Mr. Carron and Mr. Morrison were charged Friday in Buffalo with presenting false identification to customs officials, a crime that carries penalties of up to five years in prison and \$10,000 in fines. Both were jailed without bond. They were reportedly on their way to an Irish fund-raising dinner in New York.

### Peking Warns U.S. on Taiwan

The Associated Press

PEKING — The deputy chairman of the Chinese Communist Party, Xianxin, warned Sunday that China would not tolerate obstructions reunification with Taiwan. His remarks were taken as a reference to a recent decision by the Reagan administration to continue selling arms to Taiwan.

In a speech to 5,000 people at a celebration of the Chinese New Year Mr. Li declared that China "will never barter away principle, let alone depend on arms." The speech was carried live by Peking radio.

## Soviet Economic Report Omits Grain Output Figures

(Continued from Page 1)

in northwestern Siberia, reached 465 billion cubic meters, seven billion more than planned.

The output of oil, which is also being supplied increasingly by Western Siberia, was almost on target, with 609 million tons instead of the projected 610 million. After having risen rapidly through the 1970s, oil production has now begun to level off.

But coal continued a steady decline that began after it had reached a high of 72.6 million tons in 1978. The slow development of new mines in eastern regions has not kept up with depletion in older coal basins. Coal output last year was 704 million tons, compared with a 1981 goal of 738 million.

The 1981 economic report did not address a shortage of feed grains for cattle. Statistics in the report — showing an increase in the number of cows, but a decline in milk production — suggested that a shortage of high-grade feed was affecting productivity.

U.S. Estimates Grain  
The omission of a grain crop figure underscored President Leonid I. Brezhnev's statement in November that food was "economically and politically the central problem of the five-year plan."

Soviet planners have projected an average annual grain crop of 239 million tons in the current plan, which runs to 1985. The U.S. Department of Agriculture estimated the Soviet grain crop of 1981 at 175 million tons, the lowest figure since 1975. The crop reached a record 237 million tons in 1978; it was 179 million in 1979 and 189 million in 1980.

The poor harvests in recent years are believed to be especially painful because the crisis in Poland has placed new strains on Soviet resources of food and of convertible currencies. Western experts expect Moscow to spend \$6 billion this year buying grain abroad.

The generally poor performance in 1981 suggested that some of the goals of the 1981-85 five-year plan had been put effectively out of reach. National income in 1981, an indicator of overall growth, rose by 3.2 percent, less than the 3.4 percent projected for the year.

The 1981 plan called for a 4.1 percent increase in industrial production, the lowest goal for any year since World War II. The final result was 3.4 percent. Output of consumer goods had been scheduled to grow by 4.2 percent, but achieved an increase of 3.6 percent.

Labor productivity, expected to provide 90 percent of projected industrial growth, climbed by 2.7 percent, compared with a planned 3.6 percent.

Most of the bad news, however, was in food, confirming what Russians have known for some time about increasing scarcities in their stores. Supplies of meat increased marginally, by 100,000 tons, while milk production dropped by two million tons to 88.5 million tons, the lowest figure since 1973.

The only bright spot in agricul-

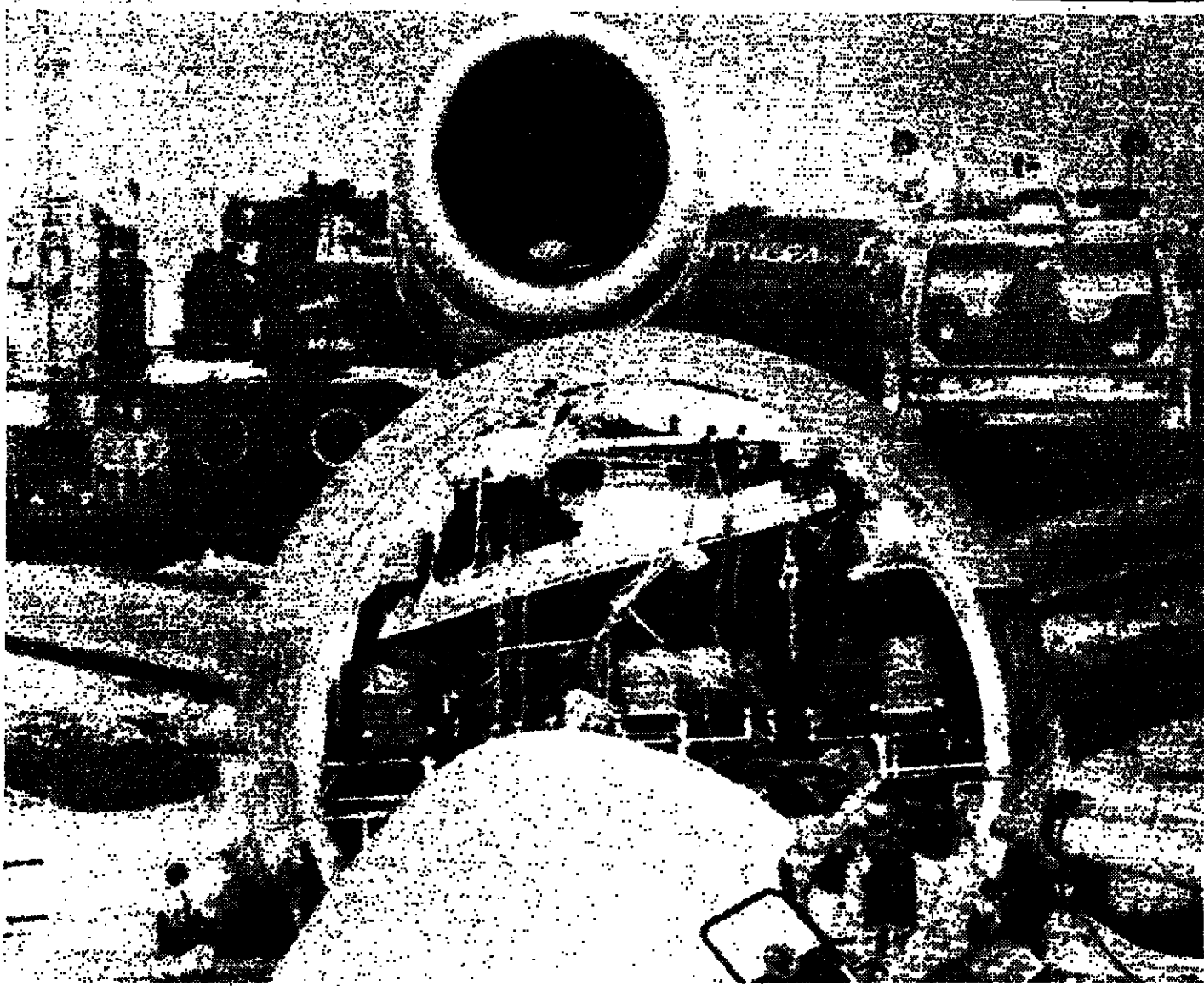
ture was egg production, which has been increasing for years.

But sugar beets, a key crop, fell far below even the dismal forecast of Western experts. Ivestiya's figure at 60.6 million tons, the lowest figure in 19 years and 1 million tons below the plan's forecast.

## NATO Warns Of New Steps

(Continued from Page 1)





A World Airways jet lies in shallow water in Boston Harbor after skidding off the runway while landing in an ice storm.

## At Least 27 Die in Severe Storms Across U.S.

**NEW YORK** — High winds and snow plagued the Midwest and New England on Sunday, blinding travelers on drift-covered roads, while in Minnesota temperatures dipped to 37 degrees below zero Fahrenheit (about the same in Celsius). At least 27 persons have died in the latest U.S. storms, which followed a short thaw last week.

Pennsylvania struggled to restore power to nearly 100,000 people after a heavy ice storm toppled power lines. Heavy rains in Oregon triggered mudslides and flood warnings.

Football enthusiasts ignored travel advisories and ventured out on ice-coated roads to make their way to Pontiac, Mich., for the Super Bowl. Ice runways caused additional problems for small

planes flying into the Detroit area for the game.

Highway crews struggled to free Iowa roads from snow drifts. Authorities cautioned motorists not to venture off cleared lanes because numerous semi-trailer trucks were stranded under the drifts.

Winds in the northern and central Rockies were clocked at more than 60 miles (96 kilometers) an hour.

### Fatal Plane Crash

Snow in the higher elevations of the central and northern Cascade Mountains, in the Northwest, set off avalanches, but no injuries were reported. One man was killed and another seriously injured when their single-engine plane clipped a power line during take-

off and crashed in a windstorm in La Pine, Ore.

A World Airways DC-10 jet with 208 passengers and crew aboard crashed through a stone embankment into Boston Harbor on Saturday night as it landed in heavy fog and freezing rain at Logan International Airport.

The cause of the accident was being investigated. A Trans World Airline employee said the plane touched down "a mile too late."

Road crews and shovellers in Minneapolis attempting to cut through the results of a succession of record snowfalls were hampered first by the wind and then by the cold.

In Eastlake, Ohio, a Cleveland suburb, authorities planned to dynamite ice jams in the Chagrin River that caused flooding and forced about 50 people to leave their homes. In the Pittsburgh suburb of Glenshaw, about 50 families were evacuated Saturday when ice jams caused a creek to flood.

The Reagan White House had tried to consider such aspects of legal decisions at the daily senior staff meeting, but that roughly 25-minute session is primarily arranged to discuss events of the day and make sure that presidential advisers know what their colleagues are working on.

The legal affairs council will discuss such questions as whether the

## White House to Form Cabinet Legal Council

By Lee Lescaze

Washington Post Service

WASHINGTON — President Reagan has decided to set up a new mechanism inside the White House to discuss policy on such legal matters as tax exempt status for private schools and the Equal Rights Amendment, two issues on which the administration has been politically embarrassed in recent weeks.

The president's senior advisers had been debating for some time the establishment of a Cabinet council on legal affairs, similar to five existing councils. They did not act earlier because of opposition from Attorney General William French Smith, administration sources said.

Mr. Smith was reluctant to bring legal issues to the White House and submit them to discussion, the sources said, but failures of coordination on the tax exemption question and the ERA overcame his objections. Mr. Smith will be chairman of the new council, just as the principal Cabinet officers involved chair the other five, which were established last February.

The other Cabinet councils are on commerce and trade, economic affairs, natural resources and environment, human resources, and food and agriculture.

When the new council starts operating it will enable administration officials to bring political and other considerations to bear on legal issues before decisions are made.

"There is high political — and for that matter policy — content in a lot of these issues," an administration official said.

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The legal affairs council will discuss such questions as whether the

Justice Department should file amicus curiae briefs in court cases, what positions to take on appeals and what sort of testimony government officials should present to Congress on legal questions.

Legal issues arising in Cabinet departments other than Justice will also be brought before the council.

When the Justice and Treasury departments announced on Jan. 8 that the administration was reversing 12 years of policy in order to grant tax exemptions to private schools that discriminate racially, they touched off a storm of criticism.

Mr. Reagan then announced that, contrary to what his representatives had said Jan. 8, he would submit legislation to deny tax exemptions to segregated schools. The bill was sent to Congress with notice that Mr. Reagan had instructed the Internal Revenue Service not to process applications for tax exemptions pending congressional action, but he approved a loophole permitting such exemptions for two schools.

A few days earlier, the Justice Department announced that it would appeal a judge's order striking down the ratification process of the ERA as unconstitutional. But Mr. Reagan opposes the amendment.

The next day, Justice added that, though it would appeal, it did not think speedy Supreme Court action appropriate. Without quick action, the ERA has little chance of meeting the June 30 ratification deadline.

### Zambia Bans Elephant Hunts

Reuters

LUSAKA, Zambia — The Zambian government has banned the issue of elephant hunting licenses for five years to help save the nation's heavily poached herds. Experts have estimated that poaching — generally for the ivory tusks — has reduced the elephant population in Luangwa National Park, eastern Zambia, from 100,000 to 50,000 in the past decade.

## Lawyer Warns Against Bid To Curb Power of Courts

By Edwin Chen

Los Angeles Times Service

CHICAGO — The president of the American Bar Association has warned that the "most serious constitutional crisis" since the Civil War may develop if Congress passes any of the 32 bills that would bar the federal courts from ruling on such issues as abortion, desegregation and prayers in the schools.

The proposals, advanced by conservatives in both houses, "threaten the elimination of the third branch of federal government," said David R. Brink, a Minneapolis lawyer and president of the 290,000-member national organization of lawyers, on Saturday.

Mr. Brink said "a national insurrection" may result from passage of the bills. He called on the ABA and its member affiliates in the 50 states to join in an intensive lobbying effort in Congress to defeat the proposals.

Four such bills already have been approved by various subcommittees of the Senate Judiciary Committee and are expected to come before the full committee as early as February.

Legal scholars disagree about the constitutionality of the 32 bills. Mr. Brink said he believes that it would be unconstitutional to pass any proposal that would "limit the power of the federal courts at any level to consider or grant remedies in cases affecting the fundamental rights of citizens under the Constitution."

He said the bills must be defeated in Congress and not left to the courts to rule on their constitutionality.

"If we leave it to the federal courts to preserve their own role," Mr. Brink said, "we face, at best, what could be a national insurrection of those who do not understand the issue and a clamor of further unjustified criticism of our courts and our legal system."

He made the comments in an address to the National Conference of Bar Presidents, which is meeting here as part of the bar association's mid-year session.

Even more troubling, he said, is a similar effort in some state legislatures to deprive state courts of constitutional jurisdiction. If those efforts succeed, Mr. Brink warned, "We would have a purely central parliamentary system of government without either substantial state law or an enforceable written national Constitution."

## Last Body Found In Potomac Crash

Washington Post Service

WASHINGTON — Divers have recovered the last body from the wreckage of the Air Florida plane which struck the 14th Street bridge Jan. 13 and plunged into the Potomac River, killing 78 persons.

The body of 2-month-old Jason Tirado, one of three infants aboard the flight, was retrieved from the river Saturday, authorities said. The body of the child's father, José Tirado, 23, of Spain, was recovered Thursday. Jason's mother, Priscilla, 22, one of five survivors, remains hospitalized with a broken leg.

### Juan Carlos on India Visit

Reuters

MADRID — King Juan Carlos and Queen Sofia left Sunday for a weeklong state visit to India.

## French Envoy to U.S. Fulfills an Old Dream

By Edward Cody

Washington Post Service

PARIS — After 37 years with the state-owned Renault auto company, Bernard Vernier-Palliez is beginning the diplomatic career he says he always wanted, as ambassador of the Socialist government in Paris to the business-oriented Reagan administration in Washington.

For a non-Socialist and a non-diplomat, the assignment could seem formidable. In a country that prides itself on the professionalism of its envoys, it could seem unusual. But for Mr. Vernier-Palliez, 63, it comes as a logical extension of France's growing investment in the United States and President François Mitterrand's concern for the health of French export industries.

"I think the business approach is now more important," Mr. Vernier-Palliez said in an interview shortly before his departure for Washington. "Second, I think people who have been in business have a lot of contacts in the industrial establishment, which increases their means."

Mr. Vernier-Palliez has established his contacts in frequent travels to the United States, at least one trip a month in the last few years. But by his own account, he knows his way around Detroit better than Washington. This marks a distinction from the outgoing ambassador, François de Lauboulaye, a career diplomat who spent much of his youth in the U.S. capital.

The cadence of Mr. Vernier-Palliez's travels reflected Renault's increasing investments in U.S. firms, part of accelerating French investment in the United States estimated by economists to have reached \$8 billion in the last several years.

### New AMC President

As Renault's chief executive, Mr. Vernier-Palliez steered the company to put \$350 million into a 46-percent interest in American Motors Corp., \$84 million into a 20-percent interest in Mack Trucks and a yet-to-be-determined sum into a joint venture with Ransburg Corp. for an enterprise called Cybotech.

Perhaps not coincidentally, the new AMC president named earlier this month, Jose J. Dedeurwaerder, arrived at the U.S. firm last fall fresh from Renault's plant at Douai in northern France.

Engineering such conquests, Mr. Vernier-Palliez said, kept him immersed in foreign affairs despite his job as a carmaker.

Not all Renault's foreign operations have been such successes. A 40-percent holding in Iranian firms

assembling R-5 Renaults was taken over by the revolutionary government in Tehran.

"If you head a multinational company, the most complicated problems you have to face are the political problems around the world," he said in his office overlooking the Champs-Élysées. "You have to give them a lot of time and attention."

Since Jan. 1, Mr. Vernier-Palliez said, he has stopped giving them attention for Renault and has broadened his concerns to include French interests in general, including former competitors such as Peugeot and Citroën.

"Since I left Renault at the end of the year, I am no more interested in Renault than in Peugeot," he said, smiling. "I am interested in the expansion of French industry."

As a newcomer, Mr. Vernier-Palliez plans to spend at least a week with Mr. de Lauboulaye remaining on the spot. Despite their different backgrounds, Mr. Vernier-Palliez said the two are good friends.



Bernard Vernier-Palliez

The automaker-turned-diplomat wanted to start out as a diplomat. He attended the prestigious school of Hautes Etudes Commerciales and moved on to the Ecole Libre des Sciences Politiques, intending to take an examination for entry into the diplomatic corps.

"I started in 1937, but it was very bad planning, because just as I was finishing, the war broke out," he said.

## Pentagon Can't Find Who Leaked Secrets

By Richard Halloran

New York Times Service

WASHINGTON — Lie-detector tests administered to more than 25 senior Defense Department officials have failed to uncover the source of an unauthorized disclosure of information, according to Pentagon officials.

Officially, the investigation is continuing, but Pentagon officials said they had little hope of discovering the source of the information.

The polygraph tests were begun by Deputy Defense Secretary Frank C. Carlucci, who took the first one himself.

They were also given to Fred C. Ikle and Richard D. DeLauer, who are undersecretaries of defense; to Navy Secretary John F. Lehman Jr. and other military service secretaries; to the chairman of the Joint Chiefs of Staff, Gen. David C. Jones; to other four-star generals and admirals; and to several assistant secretaries of defense and their aides.

The tests and other inquiries, however, have not uncovered the official or officials who gave reporters an account of a policy debate in a high-level meeting at the Pentagon this month.

At a meeting of the Defense Resources Board on Jan. 7, according to government officials, Mr. DeLauer asserted that the United States would have to spend up to \$750 billion more than planned to reach objectives for strengthening U.S. military forces.

Secretary of Defense Caspar W. Weinberger said later that the figure of \$750 billion had been com-

puted from "wish lists" submitted by the military services. He said the administration would stay on the military spending course set during the past year.

He also said the investigation of the disclosure had caused a "very distasteful, very unhappy situation" but defended it as necessary in the effort to stop disclosures. Other officials have been reluctant to discuss the issue except anonymously.

After the news reports appeared two weeks ago, Mr. Carlucci volunteered to take a lie-detector test and asked others who had attended the meeting to do the same.

An official said Mr. Carlucci "is steeped in the ways" of the Central Intelligence Agency, of which he was deputy director in the Carter administration.

### Limited Value

Officials acknowledged that lie-detector tests have limited value. Others shrugged off the Reagan administration's campaign to stop disclosures. "Leaks are the name of the game around here," said an official, asserting that there were no more than in previous administrations.

Pentagon officials said no one had declined Mr. Carlucci's request to take the test. They also said that disclosures stemming from confidential discussions would do more to erode trust than the lie-detector tests, despite the implication that the word of the officials could not be taken at face value.

Pentagon officials have declined to specify damage done to national security by the disclosures.

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# Recent Violence Viewed as a Danger Sign for Hong Kong

By Michael Parks

Los Angeles Times Service

HONG KONG — It was an ugly and frightening scene. More than 5,000 Chinese youths surged through Hong Kong's central business district in full force, some of them overturning cars, smashing windows, pelting the police with stones and bottles.

"Beat the foreign devils," some chanted. As Westerners were caught up in the commotion, "Destroy the British colonialists, destroy the foreigners."

Another group, about 2,000 strong, charged through Wan Chai, the northern high-rise district, across Victoria Harbor, in Kowloon, several thousand other youths had gone on a similar rampage the night before.

## Tension Near Rite

The disturbances, first on Christmas Eve and Christmas night and then on New Year's Eve, recalled the full-scale riots here 14

years ago during China's Cultural Revolution, and their anti-Western element reminded many of even earlier outbreaks in China, including the Boxer Rebellion of 1900.

But these recent "riot riots," as the police here termed them, were neither Communist inspired nor aimed primarily at Hong Kong's British rulers. Instead, they seemed to reflect mounting social tensions that many community leaders fear threaten the colony's stability.

"People are angry, and they are beginning to strike out," said Dr. L. K. Ding, a physician and social activist who heads the Christian Industrial Commission. "The cars, the stores, the Westerners, the police were attacked as symbols of wealth, privilege and power. Rich disturbances will increase in size and frequency, I think, because our economic and social problems are growing, and people feel unable to deal with them."

Lo Siu-pin, a member of Hong Kong's Urban Council from Kowloon, said, "The disparity in wealth between the rich and the poor is so extreme here now that there is an inherent and growing danger of a social crisis."

Mr. Lo sees a trend toward crime, violence and disorder, particularly from youths whose high expectations cannot be met.

"Hasty Assurances"

As government officials sought to allay such fears, Liang Kiu-sin, a conservative columnist for the English-language Hong Kong Standard, wrote last night, "Hasty assurances that there is no cause for alarm indicate that 'something must have gone wrong, very wrong, and there might be genuine causes for alarm.'"

Unemployment may be one of them. For more than a decade, virtually everyone here was employed, but in the past year the proportion of unemployed has risen to more than 7 percent.

Wages are another cause for worry. With inflation at about 15 percent a year, real wages have stagnated for more than three years. For 70 percent of the blue-collar workers, real family income is down.

"When a worker and his family cannot overcome the difficulties they face" in trying to keep up with the rising cost of living, "they may come to take the risk of doing something against law and order," Mr. Lo said.

Government officials reject these assessments as unfounded. Dennis Bray, Hong Kong's secretary for home affairs, dismissed the holiday disturbances as "nothing serious," attributing them to "kids who had too much to drink."

Another senior British official blamed the presence of "far too many people in a small area."

But another top official, a 10-year resident of the colony, acknowledged that the "gap between rich and poor here is quite evident and may be growing as fast as to cause problems."

"However," he added, "we are not talking about grinding poverty, for people do have jobs, can get medical care, do benefit from a housing program, and so on. It may be somewhat harder to live, and people recently have had to push more to survive, but they do. Most Chinese also know that they are better off here than on the mainland, where they can always return."

One of China's representatives here said he thought the British had become too complacent about the political, economic and social problems in Hong Kong. "This place is not going to explode tomorrow, but it cannot be described any longer as stable," he said, stressing Peking's interest in Hong Kong's continued prosperity.

"There are danger signs everywhere that the British seem to ignore," he said.

Crime rose last year, led by a 10 percent increase in juvenile crime, and Police Commissioner Ray Henry expressed his concern about a "trend towards greater use of violence in the criminal community" and "the emergence of younger criminals prepared to resort to violence."

Kidnappings have become an uncommon but a high Court Justice recently warned that people are beginning to see them as "retributive taxation."

Some particularly brutal murders brought a warning from a local sociologist that such "senseless crimes of violence" were "evidence of serious social pathology."

The "ugly Hong Kongian," a term coined by Rayson Huang, vice-chancellor of the University of Hong Kong, has become a commonplace. "Tough, prickly, thick-skinned, shallow-rooted," Mr. Huang said of residents here. "Both Eastern and Western cultures tend to be shallow here, and thus we take on the worst aspects of the West while retaining the least desirable aspects of the East."

Littering public places, jumping queues, using bad language, pushing and shoving are all part of daily life now.

But more than rudeness is involved. "Violence is increasing from this urban stress and strain," said Nelson Chow, an sociologist at the Chinese University of Hong Kong. "We live in a more affluent society; however, people are paying more to achieve this higher standard of living."

"Mongers' Social Welfare"

This is what concerns Mr. Lo, the councillor, whose Kowloon constituency is one of the most densely populated places on earth. "Most people no longer have the concept of traditional morals; they vie with each other for their own personal interests by hook or by crook," he told the Urban Council this month at its annual debate on the colony's problems.

Mr. Lo deplored the lack of a social security program that would provide unemployment payments in cases of unemployment, serious illness and old age. "The meager relief provided for the unemployed under present social welfare schemes fails to help them with any sense of belonging in Hong Kong," he said.

When people lack a sense of belonging and see themselves as unable to improve or even maintain their living standards, they "they want to rebel," said Dr. Ding, the head of the Christian Industrial Commission. "This is what is happening in Hong Kong now."

## Scandal Hits Mongolian Academy

MOSCOW — Mongolia has been hit by a scandal centered on its Academy of Sciences and one of the country's leading political figures.

According to reports from the capital, Ulan Bator, the Mongolian leadership has branded the academy a den of corruption, idleness and fraud, and its president, Badaryn Shirendeh, has been removed.

Mr. Shirendeh, 50, was a member of the Mongolian Communist Party leadership and a deputy premier before taking over at the academy in 1961.

The latest edition of the semi-weekly Russian-language newspaper Novosti Mongolii

(News of Mongolia) to reach Moscow said his dismissal followed a probe that found that little if any work was done at the academy. The equivalent of hundreds of thousands of dollars meant for projects was embezzled or spent on parties, it said.

No Practical Use

In the past few years the academy staff had only half the projects for which state funds have been claimed, and even those turned out to be of no practical use to the country, the newspaper said.

Mr. Shirendeh was attacked for doing nothing to improve the situation, for installing relatives and friends in key positions, and for

self-aggrandizement. He was said to have had a book published about himself in which he was described as a genius of historic proportions.

Honored by Moscow

Mr. Shirendeh had been honored by Moscow with an entry in the Great Soviet Encyclopedia, which says he spent eight years in college in Leningrad, Siberia, in the position of rector at Mongolia's only university.

But among the charges against Mr. Shirendeh is the accusation that he utilized Mongolia's steadily pro-Soviet foreign policy — an indication that Kremlin press-ups may have been behind his dismissal.

## Swiss Condemn Plan To Liberalize Sex Laws

GENEVA — The Swiss public has come out overwhelmingly against proposals by government-appointed experts to lower the age of sexual consent to 14, to decriminalize certain cases of incest and to liberalize laws controlling pornography.

The "love at fourteen" proposals, as they are known here, were put forward in a report by a 31-member panel that included lawyers, doctors and theologians.

Local authorities, political parties and interest groups, asked for their comments, have massively condemned them. The great majority of Switzerland's 26 cantons said they want no such alterations to existing law.

A proposal to legalize incest between brothers and sisters older than 18 particularly enraged local authorities. The Roman Catholic cantons of Fribourg, Valais and Vaud told the Justice Department that they considered the suggestion shocking.

The Federation of Protestant Churches and the Christian Democratic Party rejected the commission's argument that genetic damage through incest could not be scientifically proved.

Radical Changes Unlikely

Although the federal government still plans reforms in sex laws, proposals for radical changes to the code drawn up in 1952 now appear unlikely. The government took no immediate stance on the commission report.

Reducing the age of consent from 16 to 14 would bring Switzerland into line with its neighbors, Italy, West Germany and Austria. In France, the age of sexual majority is 15.

The commission advocated decriminalizing homosexuality from the age of 14 and making rape within marriage a crime, also proposed decriminalizing a little-known provision in the Swiss penal code defining adultery as a crime.

About 150,000 people have signed a petition against the report. Only two of the 26 cantons, along with the small Socialist Party and the Young Liberals, favored dropping the age of consent to 14, although five cantons, including Bern and Zurich, agreed that it could be set at 15, as in France.

Proposals to liberalize homosexuality laws won the support of Socialists, Liberals and the German-speaking cantons of Saint Gall and Basel. But there was general opposition to raising laws on pornography along the lines of Northern European countries.

Members of the panel said the proposal to lower the age of con-

sent to 14 simply recognized changes in sexual activity. Guy-Olivier Segond, president of the Federal Youth Commission, said he did not think Swiss youth was particularly concerned about the public debate and usually made up their own minds about sex.

But conservative Switzerland seems ready for change on less controversial fronts. Ancient concubinage laws are finally being wiped off the statute books in some of the few cantons where unmarried couples can still be prosecuted for living together.

The justice and police departments in Saint Gall, one of the last bastions against change, recently drafted reform legislation which will be put to a popular vote. Similar changes were expected in the Basel area. These moves followed a recent high court victory by a couple locally convicted of concubinage and threatened with forcible separation.

Some conservatives have said that unmarried couples living together but taxed individually receive an unfair advantage.

Recent reports indicate that more unmarried couples are choosing to live together — often for those tax advantages. A retired man who shares a three-room apartment with his woman friend said, "We draw a pension of 2,200 francs (\$1,188) between us. If we got married, that would drop to 1,600 francs. That's a big difference for poor people."

Prague Struggles With Integration of Gypsies

By Henry Kamm

New York Times Service

PRAQUE — The Gypsy population in Eastern Europe's Communist countries have constituted a difficult problem of integration into a strongly state-controlled society.

As a result, official attitudes toward Gypsies have served as an approximate barometer of human rights in their countries.

The essence of the Czechoslovak attitude toward Gypsies was summarized by Jiri Prucha, a senior Ministry official, who holds central responsibility for the Gypsy population of 303,000.

"They must adapt to our culture and way of life if they live in our territory," the official said in an interview. "They have very firm habits that are difficult to change."

Progress has been achieved in the last 10 years toward that goal, he said, on the principle that Gypsies are citizens with the same

rights and duties as the nearly 15 million other Czechoslovaks.

"In practice, most are informed of all their rights," the official said. "They are the first to claim all social benefits. They are aware of all possibilities to get money, and they exploit them. On the other hand, it is a problem to keep them at a steady job."

At the height of the Stalinist period, in the early 1950s, an official edict outlawed the "Gypsy" nomadic life and obliged them to settle permanently in the communities in which they found themselves. Settlement was a slow process, not only because of the Gypsies' unwillingness but also because of the majority's resistance to accepting them as neighbors and having their children at next to them in class.

The proportion of Gypsies in Czechoslovakia is relatively high because during Hitler's extermination campaign in German-occupied



ANTI-ABORTION RALLY — An estimated 25,000 anti-abortion demonstrators rallied in Washington to mark the ninth anniversary of the U.S. Supreme Court decision that overturned state laws against abortion. Their leaders met with President Reagan and later said he had reiterated his opposition to abortion. However, they said they had not asked him for a commitment on anti-abortion legislation.

countries, the nominally independent puppet state of Slovakia was a haven of comparative safety.

Mr. Prucha said that while old nomadic ways were no longer practiced, "unorganized travel" of many Gypsies was continuing. He said they often pulled up stakes and moved on the pretense of looking for work.

Eighty-two percent of Czechs and Slovaks of productive age hold jobs, he said, while the total for Gypsies is only 71 percent. And while all children receive an obligatory nine-year education, only 4 percent of Gypsies continue in high school and 1.5 to 1.8 percent to university.

The official said birth rates, originally high and now declining, were higher than the national levels.

"When they know how to live in an apartment, they don't want to be Gypsies any more," Mr. Prucha asserted. "If we give them the same rights, we must educate them."

The official contended that no cultural loss resulted from forced re-education.

Before the application of the present civil policies, scholars of Gypsy life and culture, and under the Communist government, were concerned about how to preserve the largely oral Gypsy culture. This concern today finds expression only among people who have no possibility of expressing their views openly. Many political dissidents list the official policy on Gypsies among their grievances against the government.

Asked whether the forcible repression of an age-old way of life did not necessarily bring a cultural loss, Mr. Prucha replied, "Our society has certain opinions of what is culture." And he cited a list of examples of recognized culture, emphasizing the composers Smetana and Dvorak. None were Gypsies.

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## U.K. Rape Cases Bring Growing Controversy

By William Reider

New York Times Service

LONDON — Several unrelated cases of rape have aroused a growing controversy in Britain in the past two weeks, fueling a debate among women's organizations, legal groups and Parliament.

One of the cases, the brutal rape of a Glasgow woman in 1980, led to the forced resignation Thursday of Nicholas Fairbairn, the solicitor general for Scotland. He had been vehemently criticized in the House of Commons because of a decision not to prosecute the men accused of raping the woman.

Earlier this month, a judge in the Ipswich Crown Court touched off a torrent of condemnation when he convicted a man of having raped a 17-year-old hitchhiker, but then gave him a \$4,000 fine and two jail sentences.

Among the critics of the judgment in that case was Prime Minister Margaret Thatcher, who termed rape a "violent, detestable and odious crime" that called for a jail sentence in all but "wholly exceptional situations."

In the same statement, made in Parliament on Tuesday, Mrs. Thatcher expressed concern about the handling of a rape case that was the subject of a British Broadcasting Corp. television documentary the night before. In it, a woman was shown being brutally questioned by policemen who clearly did not believe her story about being raped.

Mr. Fairbairn's resignation was agreed upon at a meeting between him and Mrs. Thatcher after the debate in Parliament. In a letter to her, he defended the decision not to prosecute the three men accused of raping the Glasgow woman, but conceded that he should not have discussed the case in the press before defending it to his colleagues in Parliament.

The victim in that case, now 30, was repeatedly slashed with a razor during the attack, receiving wounds that required 10 stitches.

Mr. Fairbairn explained in the Commons that the state had decided not to prosecute the three young suspects in the case because the victim "was not in a fit state to give evidence."

Psychiatrists who examined her said an appearance in court might upset her so much that she would commit suicide, he added. He said that, although the crime was "horrendous," no case could be made without her testimony.

In criticism from the Labour Party benches, Mr. Richardson said the decision was to give license to rapists to rape and then cut up their victims because they may then go "mad."

"Special Difficulties"

Another member, Russell Johnston, said: "To the layman, it is extraordinary that if this poor wretched woman had died as a consequence of these assaults there would have been a case brought, but because she was tortured to such a condition by the assault that she could not be in court, the people who did it go free."

In reply, Mr. Fairbairn said that if the woman had died, the men might have been prosecuted for murder, but not for rape, unless there had been witnesses. Rape has "special difficulties which no other serious crime has," he said.

The case of the man who was fined for raping the hitchhiker caused the greatest outcry. Judge Bertrand Richards said the victim, who had been hitchhiking home in a rural area, was partly to blame. "I am not saying that a girl hitchhiking home late at night should not be protected by the law, but she was guilty of a great deal of contributory negligence," he said.

The unusually lenient treatment of the man who committed the rape was quickly repudiated at the highest levels, not only by Mrs. Thatcher, but also by Lord Hailsham, the lord chancellor, head of the judiciary.

He turned aside the widespread demands that Judge Richards be disciplined or removed from office. But in a highly unusual rebuff a few days after the case, Lord Hailsham said: "Contributory negligence does not, of course, constitute any defense to rape, or should impede or operate as a factor of mitigation in the reduction of a sentence."

U.S. Air Carriers Cut Florida Fares

New York Times Service

NEW YORK — A round of cuts in air fares between the Northeast and Florida has brought the price of a one-way, economy class ticket to \$77. Current fares are \$107 on weekdays and \$127 on weekends.

Air Florida set off the fare-cutting Friday. It was undercut by Pan American World Airways, whose move was largely followed by other major carriers. Air Florida decided to match the Pan Am prices, but with restrictions.

The tumult at times left carriers unclear about who was doing what. By late afternoon, however, major carriers such as Delta, Eastern and Trans World Airlines had matched the reductions, with small variations.

## Guatemala Gets Arms From U.S. Despite Ban

By Christopher Dierker

Washington Post Service

SANTA CRUZ DEL QUICHE, Guatemala — Banned from U.S. military assistance because of its human rights record, Guatemala's hard-pressed Army is keeping it self supplied with vital equipment through loopholes in U.S. laws and the conversion of new American civilian helicopters to military use.

The Reagan administration is aware of Guatemala's attempts to get around congressional restrictions and in some cases has given Guatemala some help, as in its decision last spring to remove military trucks and jeeps from a list of equipment that requires the State Department to take human rights into consideration when deciding whether to approve a sale.

In addition to giving technical explanations for this change in the rules, Stephen W. Bosworth, a deputy assistant secretary of state, explained at the time that "the administration's objective is to make our security interests and our human rights concerns mutually reinforcing so that they can be pursued in tandem."

Since the 1977 halt in aid to Guatemala, Congress and the State Department have sometimes heatedly debated official and unofficial requests for spare parts for elite Bell military helicopters known as Hueys that were purchased before the cutoff. Sales of the parts still has not been authorized.

But in 1980 and 1981, the Guatemalans spent about \$10.5 million on three Bell 212 and six Bell 412 civilian helicopters — the civilian equivalent of the military Huey — according to sources close to the purchases. Those helicopters were bought with Communist Department approval, but neither Congress nor the State Department had to approve or even be informed of the sales. At least two of the new helicopters are now equipped with 30-caliber machine guns.

At guerrillas such as this one in northwestern Guatemala, amid the rough mountainous terrain where leftist and Communist guerrillas have their strongest forces, this new equipment appears to be essential in Guatemala's counterinsurgency campaign.

The army moved its troops overland in U.S.-made trucks and jeeps. A Bell 212 helicopter with door guns is used to strike nearby guerrilla positions while a just-arrived 412, still with its "recreative" interior, carries troops in the event of a battle and evacuates the casualties.

Although Guatemala never the

post several years has indicated to the State Department that it wants to purchase specifically military-designed equipment, it has been advised in most instances by the State Department that such requests would never be approved by Congress because the necessary certification of its human rights policy could not be made.

Rep. Michael D. Barnes, Democrat of Maryland, says he has the impression that the Reagan administration wants to renew a military relationship with Guatemala because of its fears the government may need help in fighting guerrillas but that it is "concerned about the reaction" in Congress.

"That is a justified concern," Rep. Barnes said.

Slavages Increase

The number of political slayings in Guatemala — many of the victims are government opponents — is up by more than 150 percent in the last year to what some estimates put as high as 500 a month.

Although government officials denounce reports that killings of political opponents are orchestrated in an annex of the presidential palace, some Guatemalan military officers concede that civilians, usually Indians and peasants, who stand between them and the guerrillas often are considered expendable.

Guatemalan and U.S. officials insist that the guerrillas are receiving substantial arms shipments from, or at least with the help of, the Soviet bloc, Cuba and Nicaragua. But the extent of these supplies is unclear.

The Guatemalan government insists that it can survive by its own wits and with its own resources. But at the same time the high command believes the only way to fight the guerrillas is with massive troop concentrations. Senior officers say the army must be increased to about 100,000 men from its present level of perhaps 22,000.

To do that would require either more money than Guatemala's ailing economy can provide or military aid from elsewhere.

Israel has taken up some of the slack, supplying the Guatemalans with rifles that are now standard issue for combat troops, as well as machine guns, helmets and as many as nine highly mobile Arava transport planes equipped with gun pods.

The Israeli also recently opened a military communications school in Guatemala to train radio technicians, and there have been reports of Israeli advisers here as well.

## Analysts Warn Protectionism Might Slow Recovery of World Economy

(Continued from Page 1)

also accused of contract violations are refusing to make deposits to cover the costs of arbitration — a 50-year-old practice at the ICC, whose members include 7,000 companies and business organizations in 106 countries.

"More and more companies are violating their own rules," said an executive, adding quickly that ICC arbitration panels are still handling about 250 cases a year.

### Hard to Reduce

"It is difficult to talk about enforcing liberalized trade rules amid growing numbers of bankruptcies and when imports are being shielded out as the cause of unemployment," he added.

Complicating the task of trade officials is the growth of three "industrial protection systems." Mr. Tumble of the GATT said. Basically, these are government subsidies that he said "are tailored to the needs of producers, as articulated and communicated to govern-

ments by industry lobbies, which also participate directly or indirectly in the international and increasingly bilateral negotiations through which these systems work."

Although their forms vary, these systems exist in the United States, Europe and Japan. Except for tropical products, the systems extend into every key area of international trade, including agriculture, petrochemicals, steel, synthetic fibers, textiles and transport, according to Mr. Tumble.

"This is nothing less than a renewed tendency to industrial protectionism," he asserted.

Equally troubling to trade strategists is the Reagan administration's new law, a trade offensive aimed at prodding Europe and Japan to open their markets to more U.S. products. The campaign's most aggressive aspect is the new "reciprocity" approach under which the United States threatens to penalize countries that do not open their markets.

"Although we realize it is being backed by Commerce Secretary Malcolm Baldrige, it is pure — and totally new — beggar-thy-neighbor policy," said a senior U.S. trade official. "It is also totally dangerous."

In the present atmosphere, there is a consensus that the chances for launching a new round of trade liberalization are about zero. Seven such negotiations in the past World War II period, including the GATT and Kennedy rounds, reached snafus in as little as one-tenth of their 1930 levels.

The Tokyo Round, which opened in 1974 and ended in 1979, also drafted new rules and agreements to reduce tariff barriers, such as subsidies and discriminatory government procurement practices, while strengthening the role of GATT.

But the new GATT rules and dispute settlement machinery have yet to be tested. Officials in Geneva said that of 17 cases handled by GATT last year, 11 were in agri-

culture and none of the industry cases came under the subsidy code. "We got liberalizing codes during the Tokyo Round, but little else," said Martin Wolf, director of studies at the privately financed Trade Policy Research Center in London. "I am very skeptical at this point about future initiatives."

Midlevel-Level Meeting

Despite the doubts, GATT last month announced plans for a mid-level meeting on trade issues in Geneva next November. Western diplomats said the meeting could be the most important gathering on trade since the Tokyo Round.

The purpose, as outlined in the communiqué, will be "to examine the functioning of the multilateral trading system and to reinforce the common efforts of the contracting parties to support and improve the system for the benefit of all nations."

Senior GATT officials said the meeting could focus on putting the

codes into effect and on other unfinished business from the Tokyo Round, but it could also take up a U.S.-supported idea that the next round deal with services — a rapidly expanding category encompassing insurance, banking, investment and construction.

More trade officials say there is little hope for coming to an agreement on a negotiating timetable in the next few months. Much of the hope for launching a new liberalization round rests on Donald S. McPhail, the Canadian ambassador to GATT and United Nations bodies in Geneva, who is in charge of organizing the November meeting. GATT officials said.

"If McPhail and others of us involved in planning the meeting can show some sense of momentum aimed at holding the line on protectionism, we will have accomplished a lot," said a senior GATT official. "It is promising to be an uphill effort."

(New U.S. European trade friction is reaching a critical point.)

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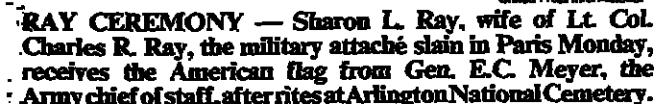
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In a report in the current issue of *The Lancet*, a medical journal published in London, the committee said, "Unless we can better define those people with mild hypertension who will benefit most from therapy [and those who will come to no harm if left untreated], the community benefit would be bought at the expense of many previously symptom-free individuals who would experience drug side effects and derive no benefit."

The committee report reflected similar caution expressed in recent articles by two experts, Dr. Michael H. Alderman of New York Hospital-Cornell Medical Center and Dr. Norman M. Kaplan of the University of Texas Health Science Center in Dallas.

Since so few real gaps were found in the B ring, Edward C. Stone, a physicist at the California Institute of Technology who is the chief Voyager scientist, concluded *that most of the radial structure in the ring might be the result of variations in the optical thickness of the rings caused by density waves,*

ton, 84, a former film and musical comedy actress and opera singer, died Saturday following a heart attack.

After appearing in silent and sound films she graduated to grand opera, appearing for several seasons with the Chicago Opera

**BELFAST** — A Northern Ireland Protestant and his son who had links to extremist organizations were shot to death at their Belfast home by unknown gunmen, police said.

Shipyard worker Robert Mitchell, 46, and his son Robert, 21, were killed Saturday.

**Leonard Sillman**  
NEW YORK (NYT) — Leonard Sillman, 73, producer of the "New Faces" revues that gave such



much-decorated veteran of World War II, has died in an air crash, the army newspaper Krasnaya Zvezda (Red Star) said Saturday. The paper gave no details of the crash.

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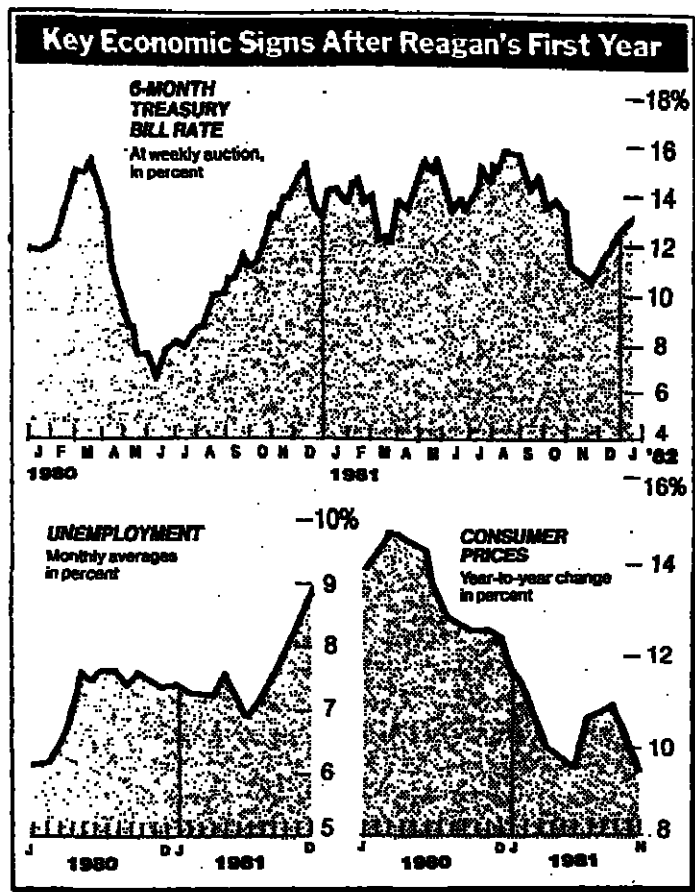
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| POSITION                | SALARY                           | EMPLOYER   | LOCAL                     | QUALIFICATIONS   | CONTACT  | SOURCE                  |
|-------------------------|----------------------------------|--|---------------------------|--|--|-------------------------|
| FINANCIAL CONSULTANT    | to US\$45,000                    | Saudi Arabian Government Agency.                                 | Wahran, Saudi Arabia      | BA or CPA qual.; 2-5 yrs' post-qual. exp. in auditing & financial consulting; Eng. + Arabic highly desirable, not a requirement.     | U.S. Henderson, ref. CO 1001, 852, Middle East, 17 Stratton St., London W1X 6BH.                                     | L.N.T. 14-1-82          |
| GENERAL MANAGER         | Attractive                       | Reinsurance co.  |                           | Extensive top level exp. in reinsurance & direct insurance covering admin./mktg. in overseas environment.                            | Box 1 689, International Herald Tribune, 97521 Newbury Corner, France.   | L.N.T. 14-1-82          |
| EUROPEAN REPRESENTATIVE | Commensurate with ability & exp. | Diatylos products.   | Europe                    | Success. sales & sales mgmt. exp.; qual. to work in various countries; Eng. + m. tech. exp. with mkt. Success/chems. drug, or equiv. | David A. Walter, Box D 1071, International Herald Tribune, 97521 Newbury Corner, France.                             | L.N.T. 14-1-82          |
| SALES PROFESSIONAL      | Very competitive                 | Aven Cosmetics.  | Lake Como, Northern Italy | Top-flight, ambitious, sales executive with highly success. track record; mid 30s; good w. equiv.; Ital. Eng.                        | Bianca Peroncelli, Avon Cosmetics SpA, Via XXV April 15, 22071 Fagnola (Como), Italy.                                | L.N.T. 14-1-82          |
| FINANCIAL MANAGER       | Generous                         | Expanding group of companies.                                    | Saudi Arabia              | Sound financial mgmt. exp. financial functions in similar role in Middle East setting; 34-45 yrs. post. accountants.                 | Ref. 4/818, Tony Byrne, E.R.I., 67 Jeremy St., London SW1V 6BH.  | Financial Times 14-1-82 |
| OPERATIONS MANAGER      | Generous                         | Geonex Surveys.  | Singapore                 | Academic survey qual.as well as mgmt. exp. related to survey services for oil industry, only senior position.                        | Geonex Surveys, c/o M. de Nam, 3 Adam Park, Singapore 1128, Republic of Singapore.                                   | Financial Times 14-1-82 |
| PLASTICITY MANAGER      |                                  | Multinational group.   | Caribbean area            | Univ. deg. in chemical engineering; min. 15 yrs. exp. in admin., financial & tech. mgmt. of U.S. &/or UK oil co. refineries.         | Staher D-10-110378, Publications, Zurich, Switzerland.   | L.N.T. 19-1-82          |
| SALES ADMINISTRATOR     |                                  | Important French Group (mobs. equip. & tech. consumer products). | Lagos Nigeria             | Know. of hardware products & industrial machinery; exp. in Eng.-speaking Africa; Eng. fl.  | Ref. 21166, Cabinet Luccini, 4 Rue Andrei Coustet, 75116 Paris.  | L.N.T. 29-1-82          |
| PROJECT MANAGEMENT      | Negotiable up to HK\$450,000     | Major Hong Kong group.   | Hong Kong                 | Chief or structural engineer with record of success in the mgmt. of large int'l contracts; 40's.                                     | A.R. Lim, Tysons & Partners (Far East) Ltd., 13/F Hong Kong Bank Bldg, No. 6-8 Lyfman Ave., Causeway Bay, Hong Kong. | Economics 16-1-82       |
| CREDIT MANAGER          | c.US\$35,000 (est. firm)         | One of largest Saudi banks.                                      | Muscat,                   | Sound credit training with int'l/progressive bank; min. 3 yrs. credit handling exp.; 30's; Middle East exp.                          | A.F. Ferguson & Co., ref. BS/2013, P.O. Box 7219, Beirut, U.A.E.   | Economics 16-1-82       |

(Continued on Page 8)



551515



## Twists in Reagan Economic Policy Reflect Anxiety Over Interest Rates

By Caroline Atkinson  
and John M. Berry  
*Washington Post Service*

WASHINGTON — Has economic policy turned upside down?  
Unemployment, already 8.9 percent of the work force at the end of last year, is likely to be higher this year than in any other since 1941, while inflation is clearly coming down from the peaks of the Carter years. What the economy needs, one might think, is stimulus, pump-priming.  
Yet the Congress returning to town this week will be asked by President Reagan to act in the opposite way and make further deep cuts in domestic spending in fiscal 1983, which begins Oct. 1.  
These cuts are likely to hit particularly hard at social programs that have been the traditional balm of the poor and unemployed in recessions. Policy-makers also are considering higher taxes.

**Extraordinary Response**  
It is, on the face of it, an extraordinary response to obvious economic weakness in an election year. But underneath, the Reagan budget policy may be, in these broad economic terms, less restrictive than it seems.  
One main reason is that last year was extraordinary, too. Congress voted the largest tax cut in history, almost \$750 billion between now and 1986. It also approved the beginning of a military buildup that will add more than \$20 billion to the defense budget in fiscal 1982, and almost \$35 billion next year if Mr. Reagan has his way.  
These past acts mean that without new spending cuts or tax increases, fiscal policy in 1983 and 1984 will be strongly expansionary; even with them it will

be somewhat so. The shift toward stimulus will get under way in earnest with this summer's scheduled individual income tax cuts.  
But why should the president and Congress be moving to offset that stimulus in an economy where idle factories and poor sales outlooks mean that businessmen are not investing — despite generous new tax incentives — and the job market is shrinking?  
Persistently high interest rates are the reason.

**Contradiction in Policy**  
There has been a basic contradiction in administration economic policy from the outset. Budget policy was made expansive with the 1981 tax cut and military spending increases — but money policy as administered by the Federal Reserve Board was kept restrictive.

The result of the contradictory policies, the one feeding demand for funds, the other constricting their supply, has been high interest rates. These have in turn helped bring on the recession.  
It is to reduce these rates and help the economy expand that the president's advisers are now urging limited budget restraint. Without spending cuts and some tax increase, the likely deficits in fiscal 1983 and 1984 will be quite large. It is the prospect of these large future federal credit demands that is helping keep long-term rates high, administration economists say.

Yet these spending cuts and tax increases, whatever they do to long-term interest rates, will also have another effect. They will reduce overall spending power in the economy, dampening total demand. They will thus also serve to exacerbate the recession they are intended to overcome.

The point, in a way, is that money policy is dominant, while fiscal policy is in a box. The administration and Congress can now fine-tune the budget all they want but cannot greatly expand the economy while money remains tight. By this view, even if budget policy is slightly upside down, it may not make a decisive difference.

Almost no one is suggesting that tax increases should take effect in this recession year, although the president wants new spending cuts to begin in October. But restrictive measures — including tax increases — should be put in place to narrow the deficits in following years, according to those who are seeking to combat high interest rates.

After staying at record levels last summer for much longer than expected, interest rates eventually came down in the fall with the onset of recession. But they have now taken experts by surprise again and started up from levels that were already very high for this stage of the business cycle.

The president already has begun to chafe under the Fed's tight money rule. But he has not yet made clear whether he wants more or less money growth; nor has supply-side Rep. Jack Kemp, a New York Republican who has called for Fed Chairman Paul Volcker's resignation and for lower interest rates but has declared himself against easy money.

**Criticism of Fed**  
Last week the president and Treasury Secretary Donald Regan castigated the Fed for letting the money supply grow too rapidly at the end of last year and the beginning of this year. It was this upsurge that has sent interest rates climbing, they say.  
But Mr. Regan also has complained that money

growth was too slow last year, and warned that there must be sufficient money expansion this year to allow the economy to make a strong recovery.

Most experts believe that this would require a substantial relaxation of money policy. The president may yet argue for this. It is high interest rates that Mr. Reagan really dislikes, and with the Fed and its money policy as a handy scapegoat he is likely to blame uncomfortably high rates on whatever it is that is happening to the money supply at any given time, some observers say.

This ambivalence over money policy probably reflects a fundamental uncertainty over the goal of economic policy: Whether the fight against inflation should take precedence over creating jobs and holding down unemployment.

Last year Mr. Reagan promised Congress that it could have both more growth and less inflation. This year, it is clear it cannot, or at least not with present policies, any more than the Fed can make money grow both more slowly and more quickly.

The administration is proud of its success in bringing down inflation. But this success has a price. It is the recession that is now largely responsible for holding down wage and price increases, most analysts say.

The high interest rates that precipitated the recession were the result of tight money, not easy money. The spurt in money growth in the last two to three months notwithstanding, it is likely to be tight money that slows or stalls recovery this year.

Bringing fiscal policy into line with this tight money policy will not lead to economic growth and a decline in unemployment, but merely to a more balanced and concerted fight against inflation of the traditional Republican kind.

## U.S. Auto Talks Show Upheavals in Industry

By John Holusha  
*New York Times Service*

DETROIT — If there were any lingering doubts, developments at the talks between the two largest automobile companies and the United Automobile Workers union have made it clear that some of the automobile industry's cherished traditions and prejudices have fallen victim to the losses of the past two years.  
General Motors, for instance, has been forced to acknowledge, at least tacitly, that the prices of its

extent of job assurances by the company and the length of a new contract. However, after a vote Saturday, negotiators for the UAW voted to resume talks with GM. In a separate vote, new bargaining meetings with Ford were scheduled.

Chrysler, which extracted \$1 billion in concessions from the union in 1980-81, is not a party to the current talks and presumably will not return to the bargaining table until the expiration of its current contract in mid-September.

The lack of a unified management front may, in fact, give the union a tactical advantage. Each company is evidently seeking an agreement tailored to its particular needs and if one were to settle before the other, the company left behind might face the choice of swallowing a contract not to its liking or seeing its competitor enjoy the benefit of lower wage costs until the existing contract expires Sept. 14.

The result is that the union, although it seems resigned to giving up something in wage and benefits, still holds a strong hand and may achieve breakthroughs in job security for assembly line workers.  
To do so it may try to put limits on what have been exclusively management decisions: Whether to make a given part or buy from an outside supplier, or, if the decision is to maintain the company as the supplier, make it at an overseas affiliate. This is a particularly big issue at Ford, which is entrenched around the world, deriving half its total revenue from overseas sources.

The renewed emphasis on price, some analysts say, seems to represent a realization by the automobile companies that new products alone will not draw buyers.  
Maryann N. Keller, a vice president and auto industry specialist at Paine Webber Mitchell Hutchins Inc., said earlier predictions of recovery in auto sales "were based on the notion that Detroit would, through new products, reclaim the share of market lost to imports, and that the new models themselves would be so technologically superior that the public would pay premium prices that yielded profits comparable to those historically earned on larger cars."

A notable example of the public's reluctance to buy sophisticated, but expensive, small cars is GM's "J" cars, which came out last spring and did not approach expected sales levels.

## Tandon Turns Profit on Disks

By Louis Sahagun  
*Los Angeles Times Service*

CHATSWORTH, Calif. — When Sirjang Lal Tandon left a steady job in 1975 to invest \$7,000 in his own computer parts company here, he was convinced the business would succeed.

But the 40-year-old Indian immigrant never dreamed that after five years, he would be heading what has been called one of the fastest growing small companies in the United States.

Last May, Boston-based Inc. magazine, which tracks small, publicly held companies, ranked Tandon Corp. as the fifth-fastest growing firm in the United States. Sales in 1981 were \$54.5 million, more than double 1980's \$22.7 million, and Mr. Tandon said he expects sales to reach \$130 million in fiscal 1982.

The company manufactures memory disk drives used in small computers and word processors. It has ridden to success on the growing popularity of personal computers manufactured by Tandy Corp. (no relation to Tandon) and Mr. Tandon's other customers. Tandon recently signed a \$55-million contract to supply Tandy with disk drives for

its personal computers over the next two years.

Born in an oversized garage in 1976, Tandon Corp. now has more than 1,600 employees in Southern California and in factories in the Far East.

Mr. Tandon attributed the firm's track record to careful planning, technological expertise and use of cheap labor in India.

"We have something even the Japanese would like to have — vertical integration," Mr. Tandon says. "We manufacture everything ourselves at a tremendous cost advantage over our competitors."

His major competitors, he said, assemble similar disk drives from parts made by a variety of other companies, each of which adds some profit margin when selling the part to the final assembler.

"Today our company's financial condition is such that it has no debts whatsoever and has about \$50 million cash in the bank — enough funds to continue our growth in the coming years," he says.

Electronics industry officials and analysts on Wall Street attribute part of Tandon's success to its cost advantage, but say larger

(Continued on Page 9, Col. 6)



Sirjang Lal Tandon

## Selling Zeros to Japan: The Preflight Routine

By Carl Gewirtz  
*International Herald Tribune*

PARIS — Putting a number — \$2.2 billion — on the volume of new Eurobonds launched last week gives a distorted picture of what was happening in the market. Appearances notwithstanding, there was little activity.

The giant portion of the overall volume was made up of zero coupon issues. Six new offerings were announced for a face value of \$1.6 billion. But as these securities are sold at a fraction of their face value, the actual money being raised totaled somewhat less than \$468 million and only a minuscule portion of this was available for sale in Europe, as up to 80 percent of the successful issues wound up in Japan.

The flood of zeroes — seven issues carrying a face value of \$1.6 billion — was announced in the previous week — has created the impression of a vast Eurobond market for such paper. But as participants in some of the issues have learned to their distress, this is not so. Successful marketing is very particular.

To start with, a Japanese co-manager ready to take up the bulk of the paper is essential. Retail demand in Japan is reported to be almost limitless because of tax

considerations: Interest income is taxable but capital gains are not. Thus, these bonds offer a guaranteed way to achieve a sizable tax-free capital gain.

There are only two criteria for selling to the Japanese: The issuer must have a name that retail cus-

### EUROBONDS

tomers know and trust, and the issue price must be low — probably not exceeding 25 percent of the nominal value.

Once these conditions are met, the marketing of the issue in Europe immediately falls into place. Relatively little paper is available for sale outside Japan and the non-Japanese banks then have to hustle to find even small amounts of paper, leading them to conclude that they have stumbled onto a very hot issue.

Where these conditions are not met, presumably by failing to appreciate just how important the Japanese connection is, marketing becomes quite a chore and underwriters start dumping paper that they cannot sell.

Among the issues highlighting some of the difficulties are the current Citicorp issue, which is for a nominal \$150 million of three-year

(Continued on Page 9, Col. 1)

## Brazil's Latest: No Coup Behind the Ballyhoo

By Carl Gewirtz  
*International Herald Tribune*

PARIS — Brazil returned to the Eurobond market last week, accompanied by some ballyhoo that, thanks to its improving domestic economic performance, it had managed to reduce slightly its international borrowing charges. But the view that Brazil had scored a coup is not widely shared.

The borrower is the national development bank, BNDE, which is seeking a relatively modest (for Brazil) \$125 million for eight years. Lenders are being offered the option of pricing the loan over the London interbank rate or the prime rate.

Banks choosing the Libor option are to receive a margin of 2 1/2 points — the standard spread for Brazilian credits. However, banks opting to use the prime as a base rate will be paid a spread of 1 1/2 points — a decline from the 2 points Brazil has been paying over prime.

**Prime vs. Libor**  
Bankers generally say "bah humbug" to any suggestion that this represents a favorable reassessment of Brazil's credit standing. Rather, they insist, it simply means that Brazil is trying to discourage banks from opting for the prime as the base rate.

The prime, currently at 15 1/2 per-

cent, is an administered rate. Banks alter the rate at their discretion, usually raising it in rapid response to a rise in money market rates and usually lowering it with some lag when there is a drop in short-term interest rates. By contrast, Libor, currently 15 1/2 percent, is a market rate that moves daily in response to supply and demand.  
Therefore, loan charges based on prime are more expensive than

### SYNDICATED LOANS

Libor-based deals. In fact, borrowers have accepted using the prime only because they recognized that they had to pay more to the banks but were unwilling to be seen increasing the very visible margin. Not infrequently, borrowers put a limit on how much of a loan can be tied to prime and lenders get a blended rate of some Libor and some prime.

In this case, bankers say, Brazil is trying to limit the appeal of the prime option by reducing the margin. In addition, commissions paid to banks using the prime formula run 1/4 percent lower than commissions paid to banks using the Libor base. But overall, the bankers note, the commissions (ranging downward from 1 1/4 to 3/4 percent on the Libor portion, depending on the

size of a bank's commitment) are a touch higher than Brazil had been paying.

Bankers add that Brazil can afford to shave the prime-based terms because there is so much room for profit for banks using that formula that they are unlikely to refuse participating in the loan.

**Room for Profit**  
Mexico's agricultural development bank, Banco Nacional de Crédito Rural, came to market last week, as expected, seeking \$400 million. Lenders have the option of going in for either seven or eight years at either the three- or six-month Libor rate or prime. For seven years, Banrural will pay 3/4 point over Libor or 1/4 point over prime. Terms on the eight-year portion are 3/4 point over Libor or 1/4 point over prime.

In addition, banks, on any rollover date, choosing to absorb the Mexican withholding tax on interest payments will receive an additional 1/4 percent per year.  
Despite reports a week ago that Madrid had given up plans to tap the market because of a dispute

over how much to pay ICO, the national credit institute, to guarantee the loan, the city decided to go ahead with a \$50-million deal, half the originally intended size. Interest is set at 3/4 point over Libor for the first three years and half a point thereafter.

Autopistas del Atlántico, a Spanish highway agency, is seeking \$75 million with half the amount guaranteed by the government. Interest is set at 3/4 point over Libor for the first three years and half a point for the final four years on the guaranteed portion. A margin of 1 1/4 percent is offered on the unguaranteed portion. Lead manager Manufacturers Hanover reports that initial soundings were so positive that the size of the loan was increased from the \$50 million initially indicated.

Elsewhere, Centro Simón Bolívar, the development agency of Caracas, is raising \$70 million for six months, offering a margin of 3/4 point over Libor.  
Montevideo is seeking \$35 million for 10 years, offering a margin of 3/4 point over Libor for the first five years and 1/4 point thereafter.

### CURRENCY RATES

Interbank exchange rates for Jan. 22, 1982, excluding bank service charges.

|              | \$    | £     | D.M.   | F.F.  | R.L.  | G.W.  | S.F. | S.P.  | D.K.  |
|--------------|-------|-------|--------|-------|-------|-------|------|-------|-------|
| Amsterdam    | 2.36  | 4.75  | 16.63  | 4.11  | 0.394 | 16.28 | 4.44 | 13.67 | 21.45 |
| Brussels (a) | 27.18 | 72.21 | 17.258 | 4.415 | 0.375 | 16.28 | 4.44 | 13.67 | 21.45 |
| Frankfurt    | 2.36  | 4.75  | 16.63  | 4.11  | 0.394 | 16.28 | 4.44 | 13.67 | 21.45 |
| London (a)   | 1.00  | —     | —      | —     | —     | —     | —    | —     | —     |
| Paris        | 1.00  | —     | —      | —     | —     | —     | —    | —     | —     |
| New York     | 1.00  | —     | —      | —     | —     | —     | —    | —     | —     |
| Perth        | 1.00  | —     | —      | —     | —     | —     | —    | —     | —     |
| Zurich       | 1.00  | —     | —      | —     | —     | —     | —    | —     | —     |

|              | \$    | £     | D.M.   | F.F.  | R.L.  | G.W.  | S.F. | S.P.  | D.K.  |
|--------------|-------|-------|--------|-------|-------|-------|------|-------|-------|
| Amsterdam    | 2.36  | 4.75  | 16.63  | 4.11  | 0.394 | 16.28 | 4.44 | 13.67 | 21.45 |
| Brussels (a) | 27.18 | 72.21 | 17.258 | 4.415 | 0.375 | 16.28 | 4.44 | 13.67 | 21.45 |
| Frankfurt    | 2.36  | 4.75  | 16.63  | 4.11  | 0.394 | 16.28 | 4.44 | 13.67 | 21.45 |
| London (a)   | 1.00  | —     | —      | —     | —     | —     | —    | —     | —     |
| Paris        | 1.00  | —     | —      | —     | —     | —     | —    | —     | —     |
| New York     | 1.00  | —     | —      | —     | —     | —     | —    | —     | —     |
| Perth        | 1.00  | —     | —      | —     | —     | —     | —    | —     | —     |
| Zurich       | 1.00  | —     | —      | —     | —     | —     | —    | —     | —     |

(a) Commercial bank. (b) Amounts needed to buy one pound. (c) Units of 100. (d) Units of 1,000.

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through a United States subsidiary has acquired  
through a tender offer and subsequent merger

**General Portland Inc.**

The undersigned acted as financial advisor to the Canada Cement Lafarge group  
in this transaction and as Dealer Manager of its tender offer.

**Dillon, Read & Co. Inc.**



Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston.

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## Saudis Victors in War on Inflation

By Douglas Martin  
New York Times Service

RIYADH — If this country's political leaders had to run for office, they could point easily to their record in fighting inflation.

Since 1975, when inflation was more than 35 percent, the rate has dropped 3 or 4 percentage points a year. Government spending has held steady for three consecutive years. And economic growth has averaged 21.4 percent a year since 1975.

"What we've achieved here in this country has not been done in any part of the world," said Sheikh Mohammed Ali Aba al-Khalil, the minister of finance and national economy. "It is really unbelievable."

Saudi Arabia's economic policymakers have some advantages. Well over \$100 billion in annual oil earnings, a population roughly the size of New York City's and an exceptionally uncomplicated economy.

The policy has been marked by government intervention in almost every economic area, heavy subsidies to both consumers and industry and a restrictive monetary strategy. Government spending is more than 40 times the level of 1969, but the Saudi leadership has moderated the annual increase to about 5 percent.

Saudi experts said that fiscal policy has a particularly large im-

part in their country because the government, which receives oil revenue directly, accounts for 80 percent of the total economy.

The economic policy is a direct response to the pandemonium that prevailed after oil prices quadrupled in 1973-74. "This rise in government spending accelerated development of all sectors of the economy and helped change the face of Saudi Arabia beyond recognition," according to a report by the Saudi Arabian Monetary Agency.

Overnight, construction cranes replaced camels as the national mascot, and construction companies came to expect a profit of 100 percent on a project. Ports were congested, housing virtually unavailable, and expensive imports, from perfumes to bulldozers, flooded in.

"There were suddenly oceans more money than the country could conceivably absorb," one U.S. economic analyst said. Inflation surged to more than 40 percent and government spending doubled annually through the mid-1970s.

After vigorous internal debate, "the government undertook an immediate crash program to alleviate inflationary pressure," a top Saudi economic official said.

One of the principal elements was to attack the bottlenecks that were contributing to inflation. Ports were expanded, industrial fa-

cilities were rushed to completion and, most important, tens of thousands of foreign laborers were brought to sparsely populated Saudi Arabia.

Although political analysts have suggested that the sweeping influx of foreigners, estimated at more than 1.5 million, could undermine Saudi Arabia's traditional society, economic officials tend to see the expatriates as a blessing.

"From the beginning of our program, we have benefited from the flow of foreign labor," Mr. Aba al-Khalil said, in part because foreign labor is less expensive than Saudi workers.

At the same time, the government limited expenditures to an annual rate of growth considerably below the inflation rate. This curb came after three years during which public outlays essentially had doubled annually.

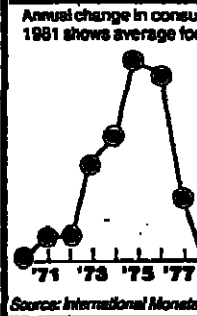
Saudi Arabia also attacked inflation with vast subsidies. As a result, food, electricity and water all sell at a fraction — often about half — of the real cost, and medical care is free.

Another subsidy provides university students with allowances of \$300 a month in addition to free tuition, books and room and board.

Perhaps more significant, the government began lending money in the form of 25-year, interest-free loans to purchase homes, a policy that was also intended to distrib-

### Saudi Arabia's Inflation Rate

Annual change in consumer prices, 1981 shows average for first half



Source: International Monetary Fund

NOTE: 1981 shows average for first half

Source: International Monetary Fund

Source: International Monetary Fund

Source: International Monetary Fund

Source: International Monetary Fund

Source: International Monetary Fund

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## Tandon Turns Disk Profit

(Continued from Page 7)

companies could potentially enter the business to challenge the smaller firm.

"There's no question but that there is going to be a tremendous shakeup in that industry (small computer parts) sooner or later," says Garland Asher, director of financial planning at Tandy Corp. "Everybody and his brother is getting in the disk drive business. But right now, Tandon is the price leader."

Barbara Isgur, an analyst for Paine Webber, Mitchell, Hutchins Inc., says that "for another corporation to realistically compete with Tandon, it would have to be very efficient, produce a reliable product, and spend a lot of money on marketing."

The son of a lawyer, Mr. Tandon came to the United States in 1960. He obtained post-graduate degrees in engineering and in business administration.

In 1973, when he was working for IBM, Mr. Tandon foresaw the potential for personal computers and wanted to share in the boom by producing drives for the flexible and rigid memory disks.

"My main problem then was if I put all my money into such a business I wouldn't have enough to live on," Mr. Tandon says.

But Mr. Tandon was able to put his ideas to work when he joined Peritek Computer Corp. of Los Angeles with the offer of a \$65,000 bonus "if I could get them into the floppy disk drive business."

Even though he accomplished the task, he says, Peritek balked at his suggestion to expand the line. As a result, he quit the job late in 1975 to start his own business.

"At first my wife, Kamla, helped me to do the soldering, wiring and assembly work," he says. "We had to do everything ourselves."

Gerald Lemba, former Peritek product manager and now executive vice president at Tandon, bought 200,000 shares of the fledg-

ing firm for \$17,000. The shares later split four for one, Mr. Lemba said, and his holding is now worth about \$20 million.

Tandon Corp.'s sales in the European market attracted the attention of investors in West Germany and France. One of them was Jean Deleage of the Paris-based investment company Saffinova, who visited the operation in 1976.

"The most difficult thing for me was to locate the little garage," Mr. Deleage said with a laugh. "I knew Tandon had established a nice niche for himself, and already had high visibility."

Saffinova purchased \$250,000 of stock and urged other investment firms to follow suit, including the venture capital firm T.A. Associates of Boston. During the next four years, those investment firms and others pumped \$3.6 million into Tandon, enabling it to expand into other countries.

In India, Tandon found skilled, low-cost workers trained in computer production and left without jobs when IBM closed its India subsidiary in 1977. Many of those workers, earning 5 cents an hour, are now employed by Tandon. Of the company's 1,600 employees, about 450 work in plants in India and Singapore.

But Mr. Tandon insisted he is not exploiting his countrymen. "Things are just not as expensive there," he says. "Besides, we bus them to and from work and subsidize their lunches."

He said his wealth has enabled him to build a \$3-million hospital in his hometown of Barnala.

Tandon sells its disk drives for \$150 to \$300 each to more than 300 customers, including Atari, North Star, Tandy, Commodore and Wang Laboratories. Mr. Lemba says that price is about the same charged by the company's competitors, but that Tandon has a greater profit margin because its manufacturing costs are lower.

## Japanese Seize on Zero Coupons

(Continued from Page 7)

paper offered at \$665. The capital gain inherent in being repaid \$1,000 at final maturity is equivalent to a yield of 137 percent. The low maturity offered at \$185 for a yield of 15.1 percent (a capital gain of 441 percent).

The Wells Fargo issue a week earlier, of six-year paper sold at \$440 (representing an inherent capital gain of 127 percent), suffered from the same problem. It was quoted Friday at about \$427, a steep drop in its own right and especially notable relative to most issues announced a week ago, which were quoted at issue price.

Another issue failing to meet the need criteria was the \$150-million offer from Beneficial Overseas Finance. Market analysts said Beneficial was just not a household name in the Far East. To sell the eight-year paper, issued at \$327 for a yield of 15 percent, Beneficial was forced to sweeten the terms by offering a "put" option allowing investors to request repayment after five years for a yield of 15 1/2 percent.

Other zeros announced last week, along with Citicorp's, were:

- J.C. Penney — \$250 million of 12-year paper offered at \$185 for a yield of 15.1 percent (a capital gain of 441 percent).

- Sears Roebuck — \$300 million of 10-year paper sold at \$247.20 for each nominally valued \$1,000 security for a yield of 15 percent (a capital gain of 304 percent).

- Beatrice Foods — \$250 million of 10-year bonds sold at \$255 for a yield of 14.65 percent (a capital gain of 292 percent).

- Xerox Credit Corp. — \$250 million of 10-year paper offered at \$255 for a yield of 14.65 percent (a capital gain of 292 percent).

- Du Pont — \$300 million of eight-year paper priced at \$339 to yield 14.48 percent (a capital gain of 195 percent).

Last week also saw the first straight dollar bonds issued since before the Christmas holiday. A relatively modest \$300 million worth of fixed coupon paper was put on offer.

- Arizona Public Service, \$50 million for seven years, bearing a coupon of 16 1/2 percent and priced at par. Lead manager Credit Suisse First Boston expects to increase the size of the issue to \$75 million.

- Japan Development Bank, \$50 million of five-year notes sold at par bearing a coupon of 15 1/2 percent.

- Hydro-Quebec, \$100 million of six-year paper bearing a coupon of 16 1/2 percent priced at par. (It sold \$200 million of 10-year paper in New York last week at 99 1/2 bearing a coupon of 16 percent.)

- Astra, a Mexican holding company whose units are engaged in retailing and related real estate activities, is offering \$100 million of 10-year bonds. The issue carries the guarantee of K. Mart Corp., a double-A-rated U.S. retailer. The bonds are being offered with an indicated coupon of 16 1/2-16 3/4 percent. Final terms and issue price will be set Thursday.

In the floating rate sector, Swedish Export Credit introduced, under theegis of Morgan Guaranty Ltd., a new wrinkle — a floater bearing warrants to purchase fixed-rate paper. The warrants are being issued to the co-managers, who are free to pass on as many (or as few) warrants as they want to investors.

The floater is \$75 million of five-year notes bearing a coupon set at the London interbank offered rate. Swedish Export is also issuing

112.5 million one-year warrants, which allow the holder to purchase a \$1,000, eight-year bond bearing a fixed coupon of 14 1/2 percent.

The warrants are being offered in lieu of the normal commissions. Thus, Swedish Export is paying a cash commission of 1/2 percent (compared to the 1-1/2 percent usually seen). The warrants are estimated to have a cash value of \$10 to \$12, which would add 1 to 1.2 percent to the cash commission.

In return, Swedish Export saves on the cash commission it pays out and gets to issue paper at Libor rather than at the small premium over Libor that it would ordinarily expect to pay.

**Nippon Credit Offer**  
Nippon Credit Bank of Japan, through its Nippon Credit Bank (Curacao Finance) is offering \$50 million of eight-year notes bearing a coupon of 1/4 point over Libor and guarantees this will never be set lower than 5 1/4 percent.

Toronto Dominion is seeking \$100 million for 10 years, also offering a coupon set at 1/4 point over Libor and a guaranteed minimum of 5 1/4 percent.

Anas, an Italian highway construction agency, is seeking \$100 million for eight years offering a coupon set at a 1/4-point spread over Libor, and convertible, at noteholders' option, into a 10-year fixed rate bond bearing a coupon of 13 percent. The floating coupon is guaranteed not to be set lower than 5 1/4 percent.

Altos Hornos, a Mexican steel maker, is offering \$100 million of five-year notes bearing a coupon set at 1/4 point over Libor and guaranteed not to fall below 6 percent.

In the convertible sector, Japan's Bridgestone Tire and Honda Motor are both expected to tap the market this week.

**Canadian Issue**  
In the Canadian dollar sector, Transalta Utilities (formerly known as Calgary Power, whose domestic paper is rated triple-A) is seeking 50 million Canadian dollars for seven years. The bullet issue is being offered with a coupon of 16 1/2 percent, and pricing is open, lead manager Merrill Lynch said.

The Deutsche mark sector revived late last week, following the half-point cut in the Bundesbank's special Lombard rate to 10 percent. The decrease, taken in conjunction with modest rate cuts in most other European centers, confirmed the commitment to reduce the level of interest rates and sparked a buying spree in the bond market.

The Frankfurt market was also

buoyed by rumors that the Saudis would commit themselves to buy up to \$7 billion worth of government paper this year, lending further support for the mark on the foreign exchange market.

As a result, the European Investment Bank's 150 million DM of seven-year paper and 100 million DM of 10-year bonds, both issued at par bearing a coupon of 10 percent, ended the week quoted at a modest discount of 1/4 point after a rather weak start. Likewise, the 150-million DM, 10-year issue for Pemex, which is expected to be offered at par, was quoted at a half-point discount after a very weak reception early in the week.

Dealers now speculate that the coming 125 million DM issue for the Council of Europe could try to break the 10-percent coupon barrier.

In the Middle East, Enso-Gutzeit, guaranteed by Finland, is offering 5 million Kuwaiti dinars of seven-year notes, which are expected to yield 11 1/2-12 percent.

**Eurobond Yields\***  
Week Ended Jan. 20

|                           |        |
|---------------------------|--------|
| Int'l inst. lg. term US\$ | 15.65% |
| Ind. long term, US\$      | 15.27% |
| Ind. medium term, US\$    | 15.57% |
| Can.\$ medium term        | 15.09% |
| French fr. medium term    | 16.75% |
| Int'l inst. lg. term yen  | 8.08%  |
| ECU medium term           | 13.49% |
| EUA long term             | 12.09% |
| Int'l inst. lg. term L.F. | 12.95% |
| Fl. long term             | 13.06% |

\* Calculated by the Luxembourg Stock Exchange

**Market Turnover**  
Week Ended Jan. 22  
(Millions of U.S. dollars)

Time 3,766.8 2,973.4 793.4

Euro: 4,653.8 4,035.8 618.0

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|      | Sales In | 1000 | Yield | Low | Lost | Net | Chase |
|------|----------|------|-------|-----|------|-----|-------|
| 2502 | 40       | 229  | 22    | 229 | + 12 |     |       |
| 2501 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2500 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2499 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2498 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2497 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2496 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2495 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2494 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2493 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2492 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2491 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2490 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2489 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2488 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2487 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2486 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2485 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2484 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2483 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2482 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2481 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2480 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2479 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2478 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2477 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2476 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2475 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2474 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2473 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2472 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2471 | 11       | 11   | 11    | 11  | 11   |     |       |
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| 2468 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2467 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2466 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2465 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2464 | 11       | 11   | 11    | 11  | 11   |     |       |
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| 2462 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2461 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2460 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2459 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2458 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2457 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2456 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2455 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2454 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2453 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2452 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2451 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2450 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2449 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2448 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2447 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2446 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2445 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2444 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2443 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2442 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2441 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2440 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2439 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2438 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2437 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2436 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2435 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2434 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2433 | 11       | 11   | 11    | 11  | 11   |     |       |
| 2432 | 11       | 11   | 11    |     |      |     |       |

[illegible]

|      |       |         |         |
|------|-------|---------|---------|
| 4.25 | 45.00 | 49.00 a | 51.00 a |
|------|-------|---------|---------|

Low prices in \$/oz. of most active series.

(Continued on Page 11, Col. 1)



## Over-the-Counter

(Continued from Page 10)

| Sales In    | 100s | High | Low | Last | Chg |
|-------------|------|------|-----|------|-----|
| Amstar 100  | 299  | 299  | 299 | 299  | 0   |
| Amstar 200  | 299  | 299  | 299 | 299  | 0   |
| Amstar 300  | 299  | 299  | 299 | 299  | 0   |
| Amstar 400  | 299  | 299  | 299 | 299  | 0   |
| Amstar 500  | 299  | 299  | 299 | 299  | 0   |
| Amstar 600  | 299  | 299  | 299 | 299  | 0   |
| Amstar 700  | 299  | 299  | 299 | 299  | 0   |
| Amstar 800  | 299  | 299  | 299 | 299  | 0   |
| Amstar 900  | 299  | 299  | 299 | 299  | 0   |
| Amstar 1000 | 299  | 299  | 299 | 299  | 0   |

| Sales In    | 100s | High | Low | Last | Chg |
|-------------|------|------|-----|------|-----|
| Amstar 1100 | 299  | 299  | 299 | 299  | 0   |
| Amstar 1200 | 299  | 299  | 299 | 299  | 0   |
| Amstar 1300 | 299  | 299  | 299 | 299  | 0   |
| Amstar 1400 | 299  | 299  | 299 | 299  | 0   |
| Amstar 1500 | 299  | 299  | 299 | 299  | 0   |
| Amstar 1600 | 299  | 299  | 299 | 299  | 0   |
| Amstar 1700 | 299  | 299  | 299 | 299  | 0   |
| Amstar 1800 | 299  | 299  | 299 | 299  | 0   |
| Amstar 1900 | 299  | 299  | 299 | 299  | 0   |
| Amstar 2000 | 299  | 299  | 299 | 299  | 0   |

| Sales In    | 100s | High | Low | Last | Chg |
|-------------|------|------|-----|------|-----|
| Amstar 2100 | 299  | 299  | 299 | 299  | 0   |
| Amstar 2200 | 299  | 299  | 299 | 299  | 0   |
| Amstar 2300 | 299  | 299  | 299 | 299  | 0   |
| Amstar 2400 | 299  | 299  | 299 | 299  | 0   |
| Amstar 2500 | 299  | 299  | 299 | 299  | 0   |
| Amstar 2600 | 299  | 299  | 299 | 299  | 0   |
| Amstar 2700 | 299  | 299  | 299 | 299  | 0   |
| Amstar 2800 | 299  | 299  | 299 | 299  | 0   |
| Amstar 2900 | 299  | 299  | 299 | 299  | 0   |
| Amstar 3000 | 299  | 299  | 299 | 299  | 0   |

## Libya Ready to Cut Oil Price, Italy Says

ROME — Libya has told Italy it is ready to cut its oil prices to more competitive levels, Italian Foreign Ministry officials have said. They also said the Italian state energy corporation Ente Nazionale Idrocarburi had agreed in principle to increase its purchases of Libyan crude.

The Italians were speaking late Friday after three days of talks with a Libyan delegation led by Foreign Minister Abdel-Ati Obeidi.

ENI's oil subsidiary Agip cut its imports of Libyan oil by 210,000 barrels a day last year after Libya refused to cut its price significantly below \$40 a barrel. With sales to other countries also lagging, Libya announced price cuts of up to \$120 a barrel for the first quarter of this year.

## Report Says Petromin, U.S. Devo in Project

JDDA — U.S. Devo Overseas of Oklahoma and Petromin of Saudi Arabia have launched a \$300-million project to process and market sulfur derived from Saudi natural gas, according to Saudi Business magazine.

The magazine, published Saturday, said Saudi exports of sulfur were expected to grow rapidly and rank near oil and gas in importance. It said the project is located in the Shadrum oil field in the eastern part of the kingdom.

## Consolidated Trading Of AMEX Listings

| Sales In    | 100s | High | Low | Last | Chg |
|-------------|------|------|-----|------|-----|
| Amstar 3100 | 299  | 299  | 299 | 299  | 0   |
| Amstar 3200 | 299  | 299  | 299 | 299  | 0   |
| Amstar 3300 | 299  | 299  | 299 | 299  | 0   |
| Amstar 3400 | 299  | 299  | 299 | 299  | 0   |
| Amstar 3500 | 299  | 299  | 299 | 299  | 0   |
| Amstar 3600 | 299  | 299  | 299 | 299  | 0   |
| Amstar 3700 | 299  | 299  | 299 | 299  | 0   |
| Amstar 3800 | 299  | 299  | 299 | 299  | 0   |
| Amstar 3900 | 299  | 299  | 299 | 299  | 0   |
| Amstar 4000 | 299  | 299  | 299 | 299  | 0   |

## Treasury Bills

| Sales In    | 100s | High | Low | Last | Chg |
|-------------|------|------|-----|------|-----|
| Amstar 4100 | 299  | 299  | 299 | 299  | 0   |
| Amstar 4200 | 299  | 299  | 299 | 299  | 0   |
| Amstar 4300 | 299  | 299  | 299 | 299  | 0   |
| Amstar 4400 | 299  | 299  | 299 | 299  | 0   |
| Amstar 4500 | 299  | 299  | 299 | 299  | 0   |
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## Selected U.S. College Basketball Results

| Selected Friday Results                      | Selected Saturday Results                |
|--|--|
| Buffalo 85, Gonzaga 51                       | Florida 82, Delaware 71                  |
| Clerk 74, Bates 41                           | Jacksonville 75, South Alabama 71        |
| Louisville 86, Long Island 87                | K.C. Greenbush 70, Chris. Newman 61      |
| Drexel 81, Portland 66                       | Mo. Western 81, Emporia 69               |
| St. Lawrence 81, RPI 59                      | Mount Mercy 65, Ohio 63                  |
| St. Thomas Aquinas 108, St. Joseph's N.Y. 53 | N. Dakota St. 92, Augustana S.D. 91      |
| Yale 71, Portland 67                         | Wm. E. Claiborne 75, Wm. E. Claiborne 75 |
| Florida 82, Delaware 71                      | Wm. E. Claiborne 75, Wm. E. Claiborne 75 |
| Jacksonville 75, South Alabama 71            | Wm. E. Claiborne 75, Wm. E. Claiborne 75 |
| K.C. Greenbush 70, Chris. Newman 61          | Wm. E. Claiborne 75, Wm. E. Claiborne 75 |
| Mo. Western 81, Emporia 69                   | Wm. E. Claiborne 75, Wm. E. Claiborne 75 |
| Mount Mercy 65, Ohio 63                      | Wm. E. Claiborne 75, Wm. E. Claiborne 75 |
| N. Dakota St. 92, Augustana S.D. 91          | Wm. E. Claiborne 75, Wm. E. Claiborne 75 |
| Wm. E. Claiborne 75, Wm. E. Claiborne 75     | Wm. E. Claiborne 75, Wm. E. Claiborne 75 |

## Golfers Get Help For Costly Hazard At the 19th Hole

TOKYO — A golfer's dream, the "hole-in-one," can now be insured — to protect the victor from over-spending on celebrations that often follow such lucky shots, says a Tokyo insurance company.

Chances of hitting a hole-in-one are estimated at 3,000 to 1, making it an event the celebrant may regret when the bill comes in for the festivities that invariably follow, said Shuhei Sano of Kyoei Fire and Marine Insurance Co.

"Since the hole-in-one is such a rare happening, it is customary for golfers to celebrate the occasion rather lavishly," Sano said, explaining that many mark their forgettable ace by planting a tree on the golf course or throwing a party and handing out costly gifts.

"Bills average a total of 200,000-300,000 yen (about \$900 to \$1,300), but some spend as much as one million yen," Sano said Friday.

Those taking out the insurance policy, at an annual rate of about 1,900 yen can get up to 300,000 yen, enough to cover all but the wildest partying.

## NHL Standings

| W            | L  | T  | GP | GA  | Pts |
|--------------|----|----|----|-----|-----|
| NY Islanders | 27 | 13 | 40 | 197 | 122 |
| Philadelphia | 26 | 14 | 40 | 197 | 122 |
| NY Rangers   | 26 | 14 | 40 | 197 | 122 |
| Pittsburgh   | 26 | 14 | 40 | 197 | 122 |
| Washington   | 26 | 14 | 40 | 197 | 122 |

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| Option      | Price | Colls | Puts |
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| Amstar 3500 | 299   | 299   | 299  |


## NBA Standings

| W            | L  | GP | GA | Pts |
|--------------|----|----|----|-----|
| Boston       | 27 | 13 | 40 | 197 |
| Philadelphia | 26 | 14 | 40 | 197 |
| New York     | 26 | 14 | 40 | 197 |
| New Jersey   | 26 | 14 | 40 | 197 |
| Atlanta      | 26 | 14 | 40 | 197 |

## Transactions

| Option      | Price | Colls | Puts |
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| Amstar 3100 | 299   | 299   | 299  |
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## More Sports On Page 13



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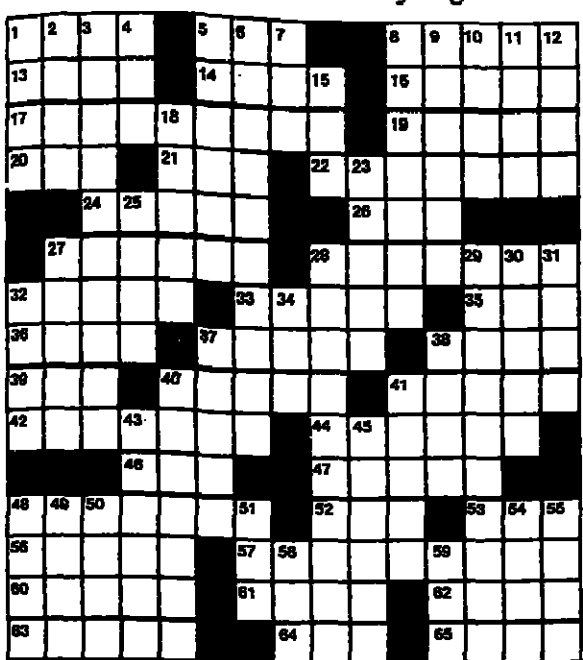
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# CROSSWORD

Edited by Eugene T. Malachuk



## ACROSS

- 1 One of three in a fountain
- 5 Likely
- 8 Bucephalus, e.g.
- 13 Time (never)
- 14 Famed fiddler
- 16 As of this date
- 17 Illegal claimant to a throne
- 19 Della or Pee Wee
- 20 Cry convulsively
- 21 Regret
- 22 L. Jolley of race-track fame, e.g.
- 24 Tavern
- 27 Synopsis
- 28 Cloth for making sacks
- 32 Sights in Scotland
- 33 French river
- 35 — Zedong
- 36 Mechanical repetition
- 37 Beamstalk character
- 38 Gyrate
- 39 French soul
- 40 Pinter's forte
- 41 Fur piece
- 42 Congressional period
- 44 "The Valachi"

## DOWN

- 1 Closes up, as an oil well
- 2 Other, in Malaga
- 3 Some skid-row denizens
- 4 "Spread" by the moon"
- 5 Voids legally
- 6 Prosaic
- 7 Due follower
- 8 Unfamiliar
- 9 Activity at the mark
- 10 Nod's western neighbor
- 11 Vacationer's delight

Readings from the previous 24 hours.

## PEANUTS



## B. C.



## B. L.



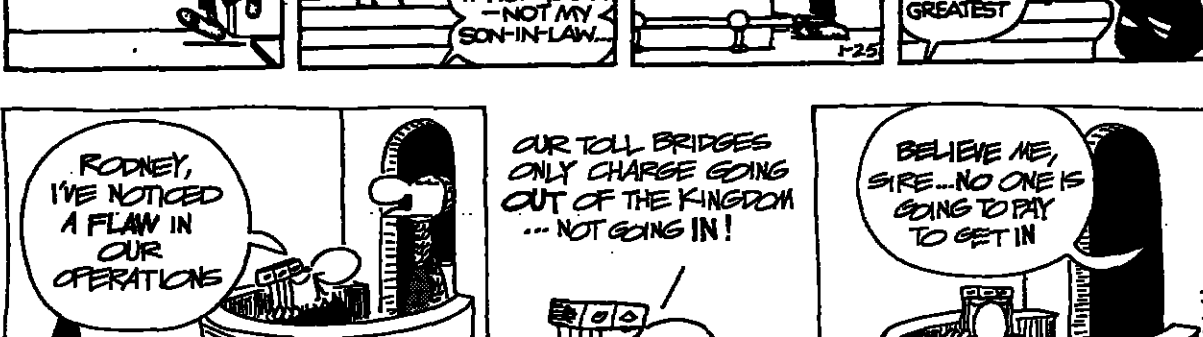
## B. E.



## A. N.



## W. I.



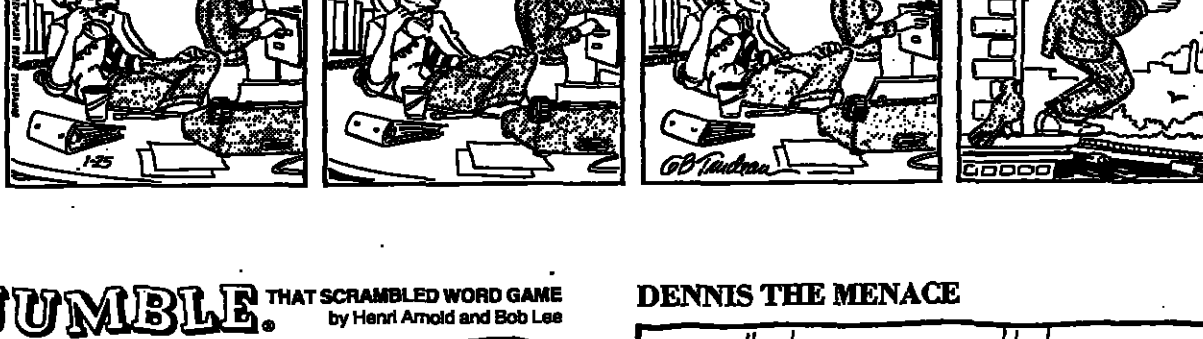
## R. E.



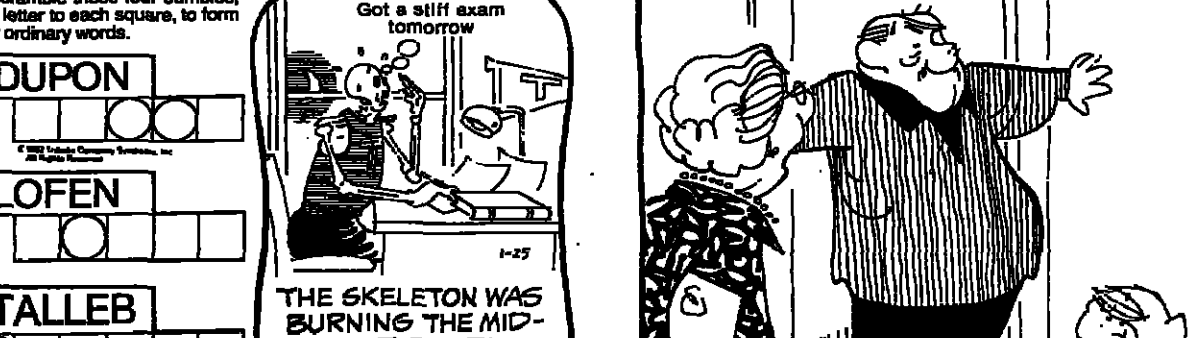
## D. O.



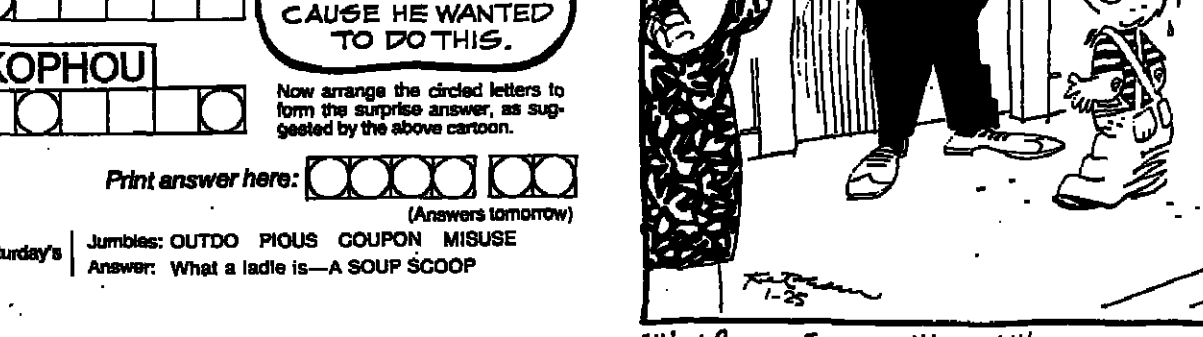
## J. U.



## D. E.



## J. U.



## J. U.



# BOOKS

## FACING THE MUSIC

By Harold C. Schonberg. 464 pp. \$17.95.  
Summit Books/Simon & Schuster, 1230 Avenue of the Americas, N.Y. 10020.

Reviewed by Henry Pleasants

THE BEST WAY to enter the musical world of Harold C. Schonberg, as reflected in this collection of articles written for The New York Times, is to turn the book over and examine the photo of the author on the reverse side of the dust jacket.

This is not the solemn countenance of a musicologist. It is rather the happy, smiling countenance of a youngish sexagenarian who found the awesome responsibilities of senior music critic a lot of fun. Which is not to say that he didn't take his responsibilities seriously and discharge them conscientiously. This is a serious book. But the more seriously you take it, and the more you know about its subjects, the more fun it is to read.

### Familiar, Readable, Entertaining

What distinguished Harold Schonberg from his colleagues during his 20 years as senior music critic was his accomplishment in never forgetting that he was first and foremost a journalist, not an academic, a reporter as well as a commentator, and in addressing a newspaper's readers in a familiar, readable and often entertaining vernacular.

This would not alone have made him a fine critic. But behind the vernacular there was always an alert, inquiring and perceptive mind, the ability to draw upon erudition rather than display it, and a fund of enthusiasm and genuine, life-long love of music that encouraged him to ride his hobby horse and share the exhilaration with his readers.

The hobby horses are trotted out in orderly procession in this collection: criticism, performance, composers, opera and singing, the piano and pianists, and the journalistically attractive anecdote. His favorite hobby horse, as he tells us in his introduction, has been performance practice, especially of the 19th century. It is an area shamefully neglected by musicology, and it is the area in which Schonberg has made his most original, his most valuable and probably his most enduring contribution.

### Expert on Piano and Pianists

It is unfortunate that he has commonly been thought of in the musical world as primarily an expert on the piano and pianists. He has been that, but his expertise and enthusiasm have ranged far wider, especially to opera and song. Both are well represented here with no less than 100 pages (while the piano and pianists get a mere 30).

The newspaper critic's tragedy and dilemma is that his production is inevitably ephemeral. Here today, gone tomorrow. The value of this book lies in its recalling from remembrance or even oblivion the work of a critic who, for the music-loving reader, has ever been a highly informed, stimulating, sometimes, for some, exasperating, but most of the time, most, delightful and rewarding companion.

Henry Pleasants is a music critic for the International Herald Tribune.

# CHESS

By Robert Byrne

NEGOTIATIONS are under way between the Soviet and United States chess federations to arrange a match between two brilliant young grandmasters — 18-year-old Gari Kasparov of Baku and 21-year-old Yasser Seirawan of Seattle.

Neither player pulls any punches, although their styles are different. Seirawan, one of Viktor Korchnoi's seconds in the recent world championship match, likes to entomb opponents in a positional web. He also keeps an eye out for stray pawns and has no qualms about undertaking severe tasks of defense to justify his greed.

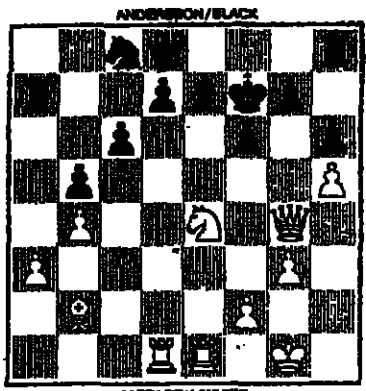
Kasparov, on the other hand, is the foremost of today's gambit players, speculatively sacrificing for attack at every opportunity. And if there is no opportunity, he'll make one. An example of his talent is his sensational victory over the Swedish grandmaster Ulf Andersson in the eighth round of the Interpolis International Tournament in Tilburg, the Netherlands.

The idea in using a tempo for a pawn move like 4 P-QR3 is to be able to develop the QN to B3, where it exerts most force in the center without allowing a nullifying pin with ... B-N5. Despite a variety of reasonable replies, such as 4... B-B3, 4... P-B4 and 4... B-N2, which Andersson plays here, the system is currently successful.

Andersson has often chosen the defense with 4... B-N2; 5 N-B3, N-K5; 6 NcN, BxN to simplify into what is intended to be less complicated play. Against Kasparov's 7 N-Q2, a retreat with 7... B-N2 would have left the black QB facing a brick wall in the center after 8 P-K4.

However, Andersson's 7... B-N3 also had a drawback: the absence of this bishop from the queenside could be exploited by pressure against that sector by the fianchetto of the white KB beginning with 8 P-KN3. (After 8... N-B3, Kasparov had to beware of 9 B-N27, NcP10 BxR7, N-B7ch, costing white his queen.)

The advance toward 10... P-QN4 was not a sacrifice, for 11 P-KP, P-K12 BxP7 would have been powerfully met by 12... NcNp1. Once the white QBP was exchanged, Andersson had a better chance of escaping pressure from the white center.



KASPAROV/WHITE  
Position after 23... R-QR2

Bursting with optimism, Kasparov turned the game into a gambit with 14 P-Q5?, powerfully opening his QB diagonal. Of course, he needed additional open lines to bring his pieces into play against the black king, and he soon got them with 20 P-K4, P-KP; 21 BxKf; Bx2; 22 NxB.

What looked like an impenetrable defense was brilliantly pierced by the piece sacrifice with 24 NcP1. On 24... BxN, Black would have been crushed by 25 Q-N6ch, K-B1; 26 BxB, PxB; 27 R-K5!

Andersson's superior defense got as far as 28... N-B2, but then Kasparov played 29 BxPch! The deadly bishop could not be captured, since 29... NxB; 30 Q-N7ch, K-K1; 31 Q-Rch, K-Q2; 32 QxN would have won easily for White, while 29... RxB7 would have allowed 30 Q-N8mate.

After 30 B-N7, Andersson's gave up because 30... R-N1; 31 P-R6 denies any defense to 32 P-R7.

| QUEEN'S INDIAN DEFENSE |          |           |           |
|------------------------|----------|-----------|-----------|
| White                  | Black    | White     | Black     |
| 1 P-Q4                 | 1 P-Q4   | 16 Q-N2   | 16 Q-N2   |
| 2 P-B4                 | 2 P-B4   | 17 P-K3   | 17 P-K3   |
| 3 N-K3                 | 3 N-K3   | 18 Q-N4   | 18 Q-N4   |
| 4 P-Q3                 | 4 P-Q3   | 19 B-N2   | 19 B-N2   |
| 5 N-B3                 | 5 N-B3   | 20 P-K4   | 20 P-K4   |
| 6 NcN                  | 6 NcN    | 21 BxPch  | 21 BxPch  |
| 7 N-Q2                 | 7 N-Q2   | 22 PxB    | 22 PxB    |
| 8 P-B3                 | 8 P-B3   | 23 Q-N6   | 23 Q-N6   |
| 9 P-K3                 | 9 P-K3   | 24 NcP1   | 24 NcP1   |
| 10 P-Q4                | 10 P-Q4  | 25 Q-N8ch | 25 Q-N8ch |
| 11 P-KP                | 11 P-KP  | 26 P-K4   | 26 P-K4   |
| 12 BxPch               | 12 BxPch | 27 B-Q4   | 27 B-Q4   |
| 13 B-N2                | 13 B-N2  | 28 B-N4   | 28 B-N4   |
| 14 P-K4                | 14 P-K4  | 29 P-R6   | 29 P-R6   |
| 15 B-N3                | 15 B-N3  | 30 B-N7   | 30 B-N7   |

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| 0300  | 11700 | 11700 | 11700 |
| 0600  | 11700 | 11700 | 11700 |
| 0900  | 11700 | 11700 | 11700 |
| 1200  | 11700 | 11700 | 11700 |
| 1500  | 11700 | 11700 | 11700 |
| 1800  | 11700 | 11700 | 11700 |
| 2100  | 11700 | 11700 | 11700 |
| 2400  | 11700 | 11700 | 11700 |

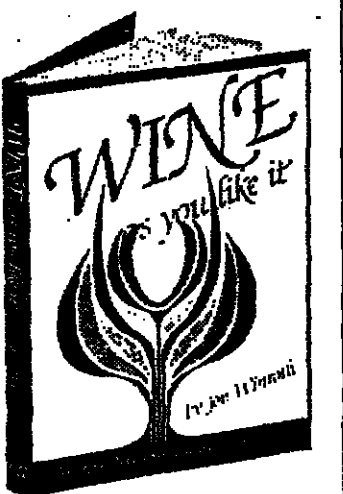
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| 0500-0600   | 19.7 | 12345 | 11 |
| 0600-0700   | 19.7 | 12345 | 11 |
| 0700-0800   | 19.7 | 12345 | 11 |
| 0800-0900   | 19.7 | 12345 | 11 |
| 0900-1000   | 19.7 | 12345 | 11 |
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| 1500-1600   | 19.7 | 12345 | 11 |
| 1600-1700   | 19.7 | 12345 | 11 |
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| 2100-2200   | 19.7 | 12345 | 11 |
| 2200-2300   | 19.7 | 12345 | 11 |
| 2300-2400   | 19.7 | 12345 | 11 |

«Wine is meant to be enjoyed, not analyzed to death.»



The Herald Tribune's new book by Jon Winroth makes light of wine snobbery—but sparkles with facts

This quotation is from Jon Winroth's new and highly professional book, in which he rejects the windy pontification so often associated with wine buying, wine tasting and wine serving. Witty, chatty, and often irreverent, this is a book of our time. For those who know wines and those who don't, there's much to be learned from WINE AS YOU LIKE IT. Order a copy today for yourself—and some extras while you're at it. A perfect gift, for friends or family.

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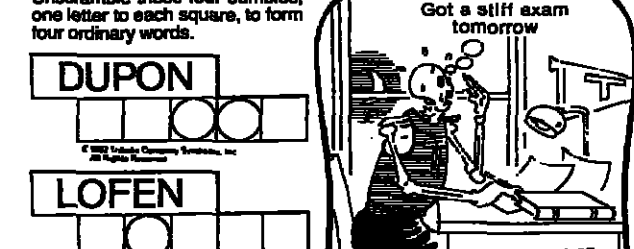
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## JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.



DUPON  
LOFEN  
TALLEB  
KOPHOU

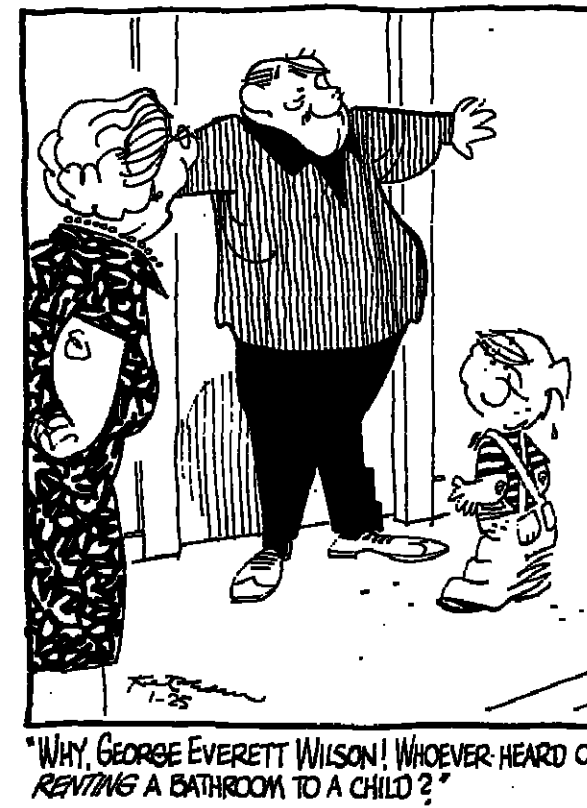
THE SKELETON WAS BURNING THE MID-NIGHT OIL BECAUSE HE WANTED TO DO THIS.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: \_\_\_\_\_  
(Answers tomorrow)

Saturday's Jumbles: OUTDO PIOUS COUPON MISUSE  
Answer: What a ladle is—A SOUP SCOOP

## DENNIS THE MENACE



"WHY, GEORGE EVERETT WILSON! WHOEVER HEARD OF RENTING A BATHROOM TO A CHILD?"



# Phil Mahre, With Giant Slalom Victory, Clinches Overall World Cup Title

## U.S. Skier Wins as Stenmark Slips on Second Run

From Agency Dispatches  
WENGEN, Switzerland — Phil Mahre of the United States won the Lauberhorn giant slalom Sunday to clinch his second straight overall World Cup title.

Swedish ace Ingemar Stenmark, who was leading by almost a second after the first heat, lost valuable time when he took a corner too fast, nearly left the track in the second heat and finished runner-up after a string of five consecutive victories.

"I know I could have taken it easy but I wanted to go as fast as possible," Stenmark said. "But it was very disappointing. I really wanted to win, but I do not seem to have had any luck in Wengen since 1977."

Mahre was clocked an aggregate 1:34.8 for the two heats down the steep 55-gate course. Stenmark, who had posted the best intermediate times in both heats, trailed him by 0.29 seconds.

Mahre, an all-arounder who has made much ground by competing regularly in the downhill as well, now has accumulated 262 points, four less than the total that gained him his first title last season.

Stenmark has 179 and could stay alive by entering the downhill

in Garmisch-Partenkirchen, West Germany, next month and thereby earn points in the paper race combining downhill and slalom results.

But Stenmark said again Sunday that he would have nothing to do with the downhill and would concentrate instead on winning the slalom and giant slalom gold medals at the world championships starting this week in Schladming, Austria.

In the overall slalom, Mahre moved up to share first place with Stenmark at 105 points.

"I made good runs — not perfect — with several little mistakes," Mahre said. "But it enabled me to put pressure on the skier coming behind me."

Third in Sunday's slalom was Paul Frommelt of Liechtenstein, followed by Steve Mahre, fourth, who turned in the second best time in the second heat through 55 gates on the Lauberhorn course with its 155-meter drop. The first heat had 56 gates.

Joel Gaspoz of Switzerland, who finished sixth, was disqualified for violating rules on advertising, according to organizers.

The slalom and a subsequent downhill made it a mammoth racing day on the Lauberhorn course.

as, rated as "classics" on the World Cup circuit. The two events had to be crammed into one day because fog had forced organizers to break off Saturday's downhill.

Phil Mahre reacted coolly to the outcome, saying he was "quite happy to have scored my first victory in a classic."

But he added he was equally happy that clinching the title means that he did not have to come back for the last World Cup races in Europe next month and in March.

"The World Cup is over, really, unless Ingemar chooses to run the downhill in Garmisch," Phil Mahre said. "So I don't think I'll come back in March. I'll just stay home and keep building my house."

Liechtenstein's Ursula Konzett, winner of Friday's slalom at Lenzerheide, West Germany, was third, followed by her teammate, Petra Wenzel.

Cooper's teammate, Tamara McKinney, who was skiing with a broken hand strapped to her pole, had the fastest time after the first run, but had to abandon the second heat after a gate fault.

Cooper was fifth after the first of the two runs. "I took more

## Cooper Takes Her First Victory

From Agency Dispatches

BERCHTESGADEN, West Germany — Christin Cooper of the United States won her first race in three years of World Cup competition Saturday, taking the slalom as season point-leader Erika Hess of Switzerland suffered a rare fall.

Cooper negotiated two runs, flagged with 56 and 59 gates, respectively, in 50.39 and 46.14 seconds for a winning total of 1 minute, 36.53 seconds in the last women's slalom before the World Championships in Schladming, Austria, which start Thursday.

France's Perrine Peleu was second with a 1:36.79 total. She had the best time in the second heat with 46.05 after placing seventh in the first lap.

Liechtenstein's Ursula Konzett, winner of Friday's slalom at Lenzerheide, West Germany, was third, followed by her teammate, Petra Wenzel.

Cooper's teammate, Tamara McKinney, who was skiing with a broken hand strapped to her pole, had the fastest time after the first run, but had to abandon the second heat after a gate fault.

Cooper was fifth after the first of the two runs. "I took more

chances in the second run and it paid off," Cooper said.

Conditions were good on the 670-meter long slope with a vertical drop of 180 meters, with a fresh snow to soften the piste.

Hess, who has won four slalom events so far this season, was trailing McKinney by .56 seconds in third place after the first run, had the best intermediate time in the second run, but was thrown off-balance on a bump in the second run, tried frantically to recover but missed a gate and took a tumble.

Cooper climbed to third place in the overall world cup standings following her victory, but still lies 117 points behind top-placed Hess.

Austria's Anni Kronbichler, who had been a close second at Lenzerheide, fell in the first slalom run here, while France's Fabienne Serret fell in the second.



Christin Cooper ... Chances paid off.

**WOMEN'S SLALOM**  
1. Christin Cooper, U.S., 50.39 seconds, 46.14 seconds, 1 minute 36.53 seconds  
2. Perrine Peleu, France, 50.74, 46.05, 1:36.79  
3. Ursula Konzett, Liechtenstein, 50.80, 46.11, 1:36.91  
4. Petra Wenzel, Liechtenstein, 51.11, 46.09, 1:37.20  
5. Dominique Zick, Italy, 51.44, 47.21, 1:38.65  
6. Pierre Rochet, Italy, 52.04, 47.11, 1:39.15  
7. Dorota Tichak, Poland, 51.47, 47.03, 1:38.50  
8. Malgorzata Tichak, Poland, 51.13, 47.38, 1:38.51

**WOMEN'S WORLD CUP STANDINGS**  
1. Erika Hess, Switzerland, 235 points  
2. Irina Eklund, West Germany, 242  
3. Christin Cooper, U.S., 117  
4. Anni Kronbichler, Austria, 118  
5. Helen and Helen, 107  
6. E. Happonen, Finland, 99  
7. Maria Rosa Guez, Italy, 83  
8. Gervy Seewagen, Canada, 77

## Weirather Takes Delayed Downhill

From Agency Dispatches

WENGEN, Switzerland — Harti Weirather of Austria won the men's World Cup downhill Sunday on the Lauberhorn when the race was completely rerun after being abandoned Saturday due to fog.

Weirather, the defending World Cup downhill champion, led an Austrian 1-2-3-4 sweep of the Lauberhorn classic. He was timed 2:04.43 for the 3.5-kilometer (2.7-mile) course, which was shortened because of a threatening new spell of freak weather.

Trailing him by 0.50 seconds was Erwin Resch, second, followed by Peter Wirsberger, third and veteran Franz Klammer.

For Klammer, the veteran who scored his first victory on the course seven years ago, it was a cruel defeat. He had been a clear leader when the Lauberhorn downhill was broken off Saturday after 13 skiers had gone down the track, but suffered from an early start Sunday and the fresh snow slowed him down on the 40 gates course.

When the organizers ordered the race, stopped Saturday because shifting fog in the upper section of the course created irregular condi-

tions at key points, Klammer was leading six other Austrians, including world downhill champion Leonhard Stock.

Stock, who finished sixth Sunday, was one of three other Austrians in the first ten.

Perrin Zubriggen of Switzerland won 25 World Cup points by capturing the combined, a paper race based on the standings in Tuesday's giant slalom at Adelboden near here in which he finished seventh and Sunday's downhill.

Rapidly changing weather conditions left the downhill race again in doubt until shortly before the start. Interim snow made the choice of the right wax important.

One who seemed to have waxing trouble was Steve Podborski, the Canadian ace and only non-Austrian winner of a downhill this winter. He finished 11th.

**MEN'S DOWNHILL**  
1. Harti Weirather, Austria, 2:04.43  
2. Erwin Resch, Austria, 2:04.93  
3. Peter Wirsberger, Austria, 2:05.46  
4. Franz Klammer, Austria, 2:05.96  
5. Leonhard Stock, Austria, 2:06.43  
6. Urs Rescher, Switzerland, 2:06.85  
7. Peter Mueller, Switzerland, 2:06.84  
8. Peter Mueller, Switzerland, 2:06.19  
9. Ueli Schaad, Austria, 2:06.19

## Floyd, Decker-Tabb Smash Track Records for Indoors

LOS ANGELES — Stanley Floyd ran the fastest 50-yard dash ever indoors and Mary Decker-Tabb recorded the best women's mile in history on the boards in Friday night's Sunbelt track meet.

Floyd, regaining the form that made him the world's top-rated sprinter in 1980, won the 50 in 5.22 seconds. He came back a half-hour later to win the 60-yard dash in 6.10. The former top time for the indoor 50 was 5.25 by Houston McTeer four years ago.

Decker-Tabb, who missed the 1981 track season with injuries, clipped 4.1 seconds off the women's world best for the indoor mile with a 4:24.6 clocking. Frankie Lamie, who had the previous best, finished second, and Joan Hansen was third.

"I'm running myself into shape, but I'm still not in shape yet," said Floyd. "Last year I had a good indoor season and a horrible one outdoors due to a hamstring injury. Doing well indoors doesn't mean you're going to do well outdoors."

Decker-Tabb said: "I need a few more races to start producing the kind of times I feel I can run. I wanted to run faster than 4:20 ... I'm a little embarrassed with my time."

In the men's sprints, Ron Brown was second in both races, and Herschel Walker third in both. McTeer, trying to come back after a long layoff, was fourth in the 50 and did not run in the 60.

Ray Flynn of Ireland scored an

upset in the men's mile, winning in 3:57.1. Frank Assuma was second in 3:57.3. The two favorites, Sydney Marce and Thomas Wesshage, finished sixth and seventh.

**Brill Sets World Mark**

EDMONTON, Alberta (AP) — Debbie Brill set a world best in the women's high jump Saturday with a leap of 6 feet, 6 1/2 inches at the Edmonton Journal International Indoor Games. She cleared the bar on her first attempt at the height, breaking the mark of 6-6 set by Andrea Maty of Hungary.

On Friday at the Sunbelt games — her first competition since having a baby last year — Brill, a native of Canada who also holds U.S. citizenship, recorded a new U.S. indoor best by clearing 6-3 inches to better Joni Hundley's old mark of 6-4.

"I think it's largely because I was so tired which made me so relaxed," she said, referring to her flight from Los Angeles to Edmonton.

**Italian Takes Marathon**

OSAKA, Japan (UPI) — Virtually unknown Italian Reta Marchisio spurred at the 37.6-kilometer mark and won the 1982 women's international marathon in Osaka Sunday. Marchisio covered the 40,195-kilometer distance in 2:32:55, with Carla Beurskens of the Netherlands almost 500 meters behind in second place.



Mary Decker-Tabb breaking the women's record for the mile.

## Prost Wins Grand Prix; 29 Drivers Suspended

From Agency Dispatches

KYALAMI, South Africa — Frenchman Alain Prost, driving a turbo-charged Renault, overcame a flat tire Sunday to win the season-opening South African Grand Prix. However, his victory was overshadowed by the immediate suspension of Prost and 28 other formula one drivers in a contract dispute.

Carlos Reutemann of Argentina, who before the race doubted he could challenge the powerful turbo-charged cars, drove immaculately to bring his Williams into second place, 15 seconds behind Prost, who limped into the pits on the 39th of 77 laps on the rim of his left rear wheel.

Reutemann passed Prost's teammate, Rene Arnoux to take second place four laps from the end. Arnoux finished third, just ahead of Austrian Niki Lauda in a McLaren. Lauda, a two-time world champion, is making a comeback after a two-year layoff.

Keke Rosberg of Finland, who replaced former world champion Alan Jones of Australia in the other Williams, came in fifth, ahead of Lauda's British teammate John Watson.

Minutes later, amid post-race jubilation and champagne, Prost and 28 other drivers, learned their racing licenses had been suspended in the renewal of fueling between drivers and Formula One officials that nearly had forced cancellation of the race Thursday. The only two not on the list were West German Jochen Mass, who refused to take part in the drivers' rebellion, and Italian Teo Fabi, who pulled out shortly after it began.

Officials said the race would count in the championship standings.

Most of the weary drivers had no trouble believing they had been suspended for threatening to boycott the Kyalami race outside Johannesburg.

"It's just typical," said Ferrari driver Gilles Villeneuve of Canada. Most of the drivers hoped to force the ruling race bodies, the International Auto Sports Federation (FISA) and the Formula One Constructors Association (FOCA), to withdraw the suspensions at a Thursday meeting in Paris.

**'A Big Joke'**

World champion Nelson Piquet of Brazil said the drivers will win. "It is nothing but a big joke. They can't suspend us otherwise there will be no Grand Prix series."

The drivers immediately lodged an appeal with FISA, the world sanctioning body of auto racing, and said they would go to court if needed.

At issue are two provisions of new, so-called "super licenses" the drivers signed last month, forbidding them to criticize FISA and committing them to their present teams for specified periods. Drivers contend the licenses, which take the place of licenses issued by the racing association of a driver's home country or other sanctioning bodies, limit their freedom of speech and their ability to negotiate new contracts with car manufacturers.

The suspensions were the culmination of a week of comedy and drama off the track, which Kyalami officials say may jeopard-

ize the future of the South African race. Last year Kyalami was caught in a dispute before FISA and FOCA that resulted in the February, 1981, race not counting in the championship standings.

Drivers boycotted practice sessions during the week, and their licenses were suspended. Friday morning, two hours before the race would have been canceled, driver spokesman Lauda announced FISA and FOCA had agreed to their demands and the drivers returned to the track.

The drivers thought they had won the showdown, but Francis Tucker, chief steward for the Kyalami course, said after the race, "For the purpose of running the race, a temporary truce was called in the disagreement between drivers and officials." At the end of the race the truce agreement was terminated. He said this meant the drivers were again suspended as they were before the race, called to allow the race to take place.

Lotus team owner Colin Chapman of England said, "All we had was a moratorium. The drivers must have been under a misunderstanding."

"For a professional sport, I cannot believe the kind of things that go on," added Nigel Mansell of Britain, a Lotus driver.

Chris Cook, the Long Beach, Calif., Grand Prix organizer whose race, the season's fourth, was set for April 4, said he was certain the dispute could be settled before the next race, March 7 at Buenos Aires.

Prost said his fourth Grand Prix victory was easy, despite the flat

tire that cost him the lead on the 39th lap. He re-entered the race in ninth place, and by the 68th lap was back in the lead.

"When I saw that the blowout had not damaged the suspension, I knew I would win," he said. In regaining the lead, he averaged 128.59 mph and set a one-lap record of 1 minute, 8.28 seconds to break the 1980 mark of 1:13.15 set by Arnoux for the Kyalami circuit.

Prost and Arnoux proved the effectiveness of turbocharged cars at mile-high Kyalami, where engines that breathe conventionally gasp for air. But the turbos are known for temperance, and four others dropped out with mechanical problems.

**Piquet Falters**

Piquet was the first of the starters to fall out of the race. He faltered at the start and was well back when he lost control on the fifth lap and crashed through a fence.

His Brabham teammate, Italian Riccardo Patrese, and the Ferraris of Villeneuve and Frenchman Didier Pironi withdrew due to mechanical problems in their turbo-charged cars.

Reutemann, who won at Kyalami last year, drove a trouble-free race. Rosberg, his Williams teammate, had his gear lever knob come off in his hand. He dropped it to the floor, where it rolled around between his feet and the pedals for the rest of the race.

Several cars failed to negotiate corners and went off the track, but there were no serious injuries. Nineteen cars were running at the end.

## Kicker Campbell Displays Fancy Footwork As Ireland Defeats Wales, 20-12, in Rugby

From Agency Dispatches

DUBLIN — Ireland launched its 1982 Five Nations rugby campaign with a 20-12 defeat of Wales Sunday. The Irish wings scored three tries, two of them the result of elusive running by flyhalf Ollie Campbell.

After losing all four of its championship matches last year, Ireland takes an early lead this year ahead of Scotland and England, who drew in Edinburgh on Jan. 16, and Wales. France starts up against Wales in Cardiff on Feb. 6, when Ireland will be playing away against England.

In perfect weather conditions, Campbell converted the third Irish try and added two penalties. For Wales, fullback Gwyn Evans kicked a penalty and converted a try by scrumhalf Terry Holmes.

## Nelson Holds Lead In Phoenix Golf

From Agency Dispatches

PHOENIX — Larry Nelson retained the lead Saturday with a struggling 1-under-par 70 in the second round of the Phoenix Open golf tournament.

The current PGA champion put together a 36-hole total of 133, nine shots under par and a one-stroke lead over Morris Hataky and Fred Couples. Couples shot 65 Saturday while Hataky had a 67.

Two shots back, with two rounds to go, were defending titleholder David Graham, Tom Purtzer, Lanny Wadkins and Lon Nielsen. The tournament was delayed Thursday by rain and is now set to end Monday.

and substitute flyhalf Gary Pearce kicked a dropped goal.

Wales has now lost six consecutive matches in the championship (since 1979) for the first time since it entered international competition in 1881. Of the 16 men it fielded here, only Holmes clearly dominated his opposite number, Robbie McGrath.

Campbell, 27, revised his reputation as merely a kicking flyhalf. While he missed five of eight kicks at goal, his tactical kicking regularly secured territorial advantage from the ample possession won by his forwards.

But it was as the general in charge of attack that he made his mark. Weaving runs by Campbell around the tight side of an Irish scrum in the 46th minute of the first half and from a wheeled Welsh scrum in the fifth minute of the second half produced two tries for left wing Mike Finn.

Evans' penalty goal had opened the scoring in the third minute. Early in the second quarter, a shrewd Campbell kick ahead into empty space — far enough to send the Welsh scurrying backward, but close enough for Irish forwards Fergus Slattery and Phil Orr to reach and recover the ball for McGrath — enabled center Dave Irwin to put right wing Trevor Ringland across in the corner.

Wales stormed back. Irwin was broken off on a stretcher with a carried leg when a frantic goal-line stand prevented a try by Evans after Holmes had gained ground from a scrum. The siege continued with a Welsh forward rush from a tapped penalty. The rush was blocked but the ball spilled back for Holmes, who plunged across in the 31st minute.

Campbell's kicking for position, Irish alertness and aggressivity at the lineouts and a break by Campbell that launched substitute Mike Kieran (a nephew of Ireland's coach, Tom Kiernan) for a long gain yielded the scrum that led to Finn's first try.

Ireland trailed at halftime, 9-3, but went ahead for good with Campbell's conversion of Finn's second try.

By this time Ireland had lost the second of its starting centers, Paul Dean. Substitute John Murphy, whose first touch of the ball was as the link between Campbell and Finn in that scoring movement, was the fourth Irish threequarter appearing in his first championship match. A fifth Finn, had played once, against England in 1979. The sixth, Irwin, was in his seventh championship game.

Wales now lost its captain and flyhalf, Gareth Davies, who had been nursing a sore left calf for most of the match. His replacement, Pearce, scored with a drop in the 30th minute after a long throw-in at a Welsh lineout led to a slickly executed maul under the Irish posts.

Wales managed only three kicks at goal but scored with all of them. Its forwards showed rigorous coaching superiority on occasion, but the winning wit and verve were Irish. The proverbial Big Five who select the national team will be under heated pressure from Welshmen this week to produce a stronger unit by Feb. 6.

Once Campbell penalties before and after Pearce's goal had padded the margin, victory-starved Irish fans carried new captain Claran Fitzgerald off the field.

## Jackson, Rebuffed by Yankees, Signs 4-Year Pact With Angels

From Agency Dispatches

NEW YORK — Reggie Jackson has ended five years as one of the most colorful and controversial players with the New York Yankees by agreeing to a four-year contract with the California Angels for close to \$1 million a season.

Jackson's agent, Gary Walker, said in a telephone interview from his office in Phoenix Friday that the contract with the Angels was "all guaranteed," meaning all four years. He added that Jackson, 35, had agreed to it only after it became clear that Yankee owner George Steinbrenner could not assure Jackson the role he desired as a regular outfielder.

"No matter what George would have offered, Reggie wouldn't have played the outfield in New York," Walker said. "There is enough of the little boy left in Reggie that he wants to play the outfield regularly. Steinbrenner's reaction, when I told him, was one of understanding."

When the contract was announced, the Yankees issued a statement that expressed regret and that praised Jackson — a catalyst on nine division winners, seven pennant titlists and four world championship teams — for having contributed "greatly to the success of the Yankees."

Also in the bidding for Jackson were the Atlanta Braves and Baltimore Orioles. The Braves reportedly offered \$2.4 million for three years while the Orioles reportedly offered \$2.7 million.

Jackson earned \$532,000 a year with the Yankees, and his new contract — on which precise terms were not made public — will elevate him into the upper group of salaries in the major leagues.

Jackson lives in Carmel in northern California, and had expressed interest in "going home" to play. He was in Key Biscayne, Fla., when the contract was announced.

"I'm very happy to join a club that really seemed to pursue and wanted me," the Angels quoted Jackson as saying in a prepared

statement. "With the Angels, I get a chance to play."

The Angels announced that they would introduce Jackson at a news conference next Tuesday in Anaheim Stadium and would flank him with three other stars who, like Jackson, had been voted most valuable players in the American League: Fred Lynn, Rod Carew and Don Baylor.

"From the standpoint of excitement and drawing power," Angel owner Gene Autry said, "Reggie and Pete Rose are in a class by themselves. I've long admired the way he hustles and handles himself. His desire should rub off."

**Compensation Squabble**

Late last week, Angel executive vice president Buzzie Bavasi opened a controversy by saying that he intended to "compensate" the Yankees by sending them a player if the Angels signed Jackson.

Bavasi was promptly challenged by Marvin Miller, executive director of the Major League Baseball Players Association, who pointed out that last summer's 50-day strike had been waged over the issue of compensating teams that lost free agents.

Bavasi said Saturday that "we are going to make a trade with the Yankees." But he denied the trade would involve compensation to the Yankees because they had lost Jackson.

"I'm not trying to reward the Yankees," Bavasi said. "They lost an outfielder, and we added one. It would be a straight, old-fashioned trade."

"The more he talks, the deeper he gets," Miller said from his home in Manhattan. "It's a continuing comedy. But if he does make a deal with the Yankees, we would examine it very, very closely."

Autry has now spent about \$21.5 million on 16 free agents, not including the \$13.8 million given Rick Burleson, Carew and Lynn, each acquired in a trade made possible by their imminent free agent status. The



Reggie Jackson ... Celebrating in the sun.

team has made the playoffs only once, in 1979 when it captured the American League West championship.

The acquisition of Jackson gives California a crowded outfield and may make either Baylor, used mostly as a designated hitter, or regular right-fielder Dan Ford expendable. Bavasi may use one or the other as trade bait in an attempt to strengthen a weak pitching staff.

**Ready to Trade Foster**

CINCINNATI (AP) — Cincinnati Reds President Dick Wagner has abandoned hopes of signing outfielder George Foster and plans to seek a trade for him.

"I received a counterproposal on Foster. I think at this point it's a very heavy one and I don't believe we want to pursue it any more," Wagner said.

Foster will become eligible for free agency after this season when his contract expires.

## Jaeger to Clash With Navratilova In Seattle Final

From Agency Dispatches

SEATTLE — Top-seeded Martina Navratilova defeated fourth-seeded Barbara Potter, 7-6 (7-1), 6-1, Saturday to advance to a showdown with 16-year-old Andrea Jaeger in the Seattle stop on the women's tennis tour.

Jaeger, using an effective baseline game, defeated Wendy Turnbull, 7-5, 7-5, to set up Monday's finale between the tournament's two top seeds.

Jaeger's tireless volleying proved too much for Turnbull, who matched the younger player point for point, only to have her backhand shots fall short of the net at crucial moments.

"It's hard to play her game — the baseline game — and beat her, and that's what I did," said Turnbull. "I felt I could have come to the net more, but I got cautious; I was hesitant."

Navratilova faced a mirror-image opponent in Potter, who is both left-handed, possess big serves and come to the net — but on this occasion they had little else in common. Navratilova lost the opening point in the first-set tiebreaker but took the next seven and then coasted to victory as Potter, serving three double faults in one game, never recovered.

In quarterfinal matches Friday Navratilova eliminated Anne Smith, 6-3, 7-6; Jaeger defeated Virginia Ruzic, 6-1, 6-2; Turnbull upset defending champion Sylvia Hanika, 6-3, 6-2; and Potter stopped Bettina Bunge, 6-2, 6-2.

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| 12/31/2011 | PAYROLL     | 500.00 | 1013      | WELLS FARGO |
| 12/31/2011 | RENT        | 200.00 | 1014      | WELLS FARGO |
| 12/31/2011 | UTILITIES   | 75.00  | 1015      | WELLS FARGO |
| 12/31/2011 | SALES       | 300.00 | 1016      | WELLS FARGO |
| 12/31/2011 | DEPOSIT     | 150.00 |           | WELLS FARGO |
| 12/31/2011 | PAYROLL     | 500.00 | 1017      | WELLS FARGO |
| 12/31/2011 | RENT        | 200.00 | 1018      | WELLS FARGO |
| 12/31/2011 | UTILITIES   | 75.00  | 1019      | WELLS FARGO |
| 12/31/2011 | SALES       | 300.00 | 1020      | WELLS FARGO |
| 12/31/2011 | DEPOSIT     | 150.00 |           | WELLS FARGO |
| 12/31/2011 | PAYROLL     | 500.00 | 1021      | WELLS FARGO |
| 12/31/2011 | RENT        | 200.00 | 1022      | WELLS FARGO |
| 12/31/2011 | UTILITIES   | 75.00  | 1023      | WELLS FARGO |
| 12/31/2011 | SALES       | 300.00 | 1024      | WELLS FARGO |
| 12/31/2011 | DEPOSIT     | 150.00 |           | WELLS FARGO |
| 12/31/2011 | PAYROLL     | 500.00 | 1025      | WELLS FARGO |
| 12/31/2011 | RENT        | 200.00 | 1026      | WELLS FARGO |
| 12/31/2011 | UTILITIES   | 75.00  | 1027      | WELLS FARGO |
| 12/31/2011 | SALES       | 300.00 | 1028      | WELLS FARGO |
| 12/31/2011 | DEPOSIT     | 150.00 |           | WELLS FARGO |
| 12/31/2011 | PAYROLL     | 500.00 | 1029      | WELLS FARGO |
| 12/31/2011 | RENT        | 200.00 | 1030      | WELLS FARGO |
| 12/31/2011 | UTILITIES   | 75.00  | 1031      | WELLS FARGO |
| 12/31/2011 | SALES       | 300.00 | 1032      | WELLS FARGO |
| 12/31/2011 | DEPOSIT     | 150.00 |           | WELLS FARGO |
| 12/31/2011 | PAYROLL     | 500.00 | 1033      | WELLS FARGO |
| 12/31/2011 | RENT        | 200.00 | 1034      | WELLS FARGO |
| 12/31/2011 | UTILITIES   | 75.00  | 1035      | WELLS FARGO |
| 12/31/2011 | SALES       | 300.00 | 1036      | WELLS FARGO |
| 12/31/2011 | DEPOSIT     | 150.00 |           | WELLS FARGO |
| 12/31/2011 | PAYROLL     | 500.00 | 1037      | WELLS FARGO |
| 12/31/2011 | RENT        | 200.00 | 1038      | WELLS FARGO |
| 12/31/2011 | UTILITIES   | 75.00  | 1039      | WELLS FARGO |
| 12/31/2011 | SALES       | 300.00 | 1040      | WELLS FARGO |
| 12/31/2011 | DEPOSIT     | 150.00 |           | WELLS FARGO |
| 12/31/2011 | PAYROLL     | 500.00 | 1041      | WELLS FARGO |
| 12/31/2011 | RENT        | 200.00 | 1042      | WELLS FARGO |
| 12/31/2011 | UTILITIES   | 75.00  | 1043      | WELLS FARGO |
| 12/31/2011 | SALES       | 300.00 | 1044      | WELLS FARGO |
| 12/31/2011 | DEPOSIT     | 150.00 |           | WELLS FARGO |
| 12/31/2011 | PAYROLL     | 500.00 | 1045      | WELLS FARGO |
| 12/31/2011 | RENT        | 200.00 | 1046      | WELLS FARGO |
| 12/31/2011 | UTILITIES   | 75.00  | 1047      | WELLS FARGO |
| 12/31/2011 | SALES       | 300.00 | 1048      | WELLS FARGO |
| 12/31/2011 | DEPOSIT     | 150.00 |           | WELLS FARGO |
| 12/31/2011 | PAYROLL     | 500.00 | 1049      | WELLS FARGO |
| 12/31/2011 | RENT        | 200.00 | 1050      | WELLS FARGO |
| 12/31/2011 |             |        |           |             |

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